



Borough of Tamworth

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AUDIT AND GOVERNANCE COMMITTEE

3 February 2021

Dear Councillor

A meeting of the Audit and Governance Committee will be held in **Online Meeting on Thursday, 11th February, 2021 at 6.00 pm**. Members of the Committee are requested to attend.

Yours faithfully

A handwritten signature in black ink, appearing to be 'AOS', followed by a long horizontal line.

CHIEF EXECUTIVE

A G E N D A

NON CONFIDENTIAL

- 1 Minutes of the Previous Meeting (Pages 5 - 10)**
- 2 Apologies for Absence**
- 3 Declarations of Interest**

To receive any declarations of Members' interests (pecuniary and non-pecuniary) in any matters which are to be considered at this meeting.

When Members are declaring a pecuniary or non-pecuniary 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 pecuniary or non-pecuniary interest in respect of which they do not have a dispensation.

- 4 Annual Audit Letter - 2019-2020** (Pages 11 - 22)
(Report of the External Auditors)
- 5 Risk Management Quarterly Update** (Pages 23 - 70)
(Report of the Assistant Director, Finance)
- 6 Modern Slavery and Human Trafficking Statement 2019/20** (Pages 71 - 78)
(Report of the Assistant Director, Partnerships)
- 7 Internal Audit Progress Report - Quarter 3** (Pages 79 - 94)
(Report of the Head of Audit and Governance and Monitoring Officer)
- 8 Committee Effectiveness** (Pages 95 - 110)
(Report of the Head of Audit and Governance and Monitoring Officer)
- 9 Audit and Governance Committee Timetable** (Pages 111 - 118)
(Discussion Item)

Access arrangements

If you have any particular access requirements when attending the meeting, please contact Democratic Services on 01827 709267 or e-mail democratic-services@tamworth.gov.uk. We can then endeavour to ensure that any particular requirements you may have are catered for.

Filming of Meetings

The public part of this meeting may be filmed and broadcast. Please refer to the Council's Protocol on Filming, Videoing, Photography and Audio Recording at Council meetings which can be found [here](#) for further information.

The Protocol requires that no members of the public are to be deliberately filmed. Where possible, an area in the meeting room will be set aside for videoing, this is normally from the front

of the public gallery. This aims to allow filming to be carried out whilst minimising the risk of the public being accidentally filmed.

If a member of the public is particularly concerned about accidental filming, please consider the location of any cameras when selecting a seat.

FAQs

For further information about the Council's Committee arrangements please see the FAQ page [here](#)

To Councillors: M Summers, M Bailey, C Cooke, J Faulkner, M Oates, S Pritchard and
R Rogers

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MINUTES OF A MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE HELD ON 29th OCTOBER 2020

PRESENT: Councillor M Summers (Chair), Councillors M Bailey (Vice-Chair), C Cooke, J Faulkner, M Oates, S Pritchard and R Rogers

Officers Stefan Garner (Executive Director Finance), Lynne Pugh (Assistant Director Finance), Zoe Wolicki (Assistant Director People), Rebecca Neill (Head of Audit & Governance and Monitoring Officer), Tracey Pointon (Legal Admin & Democratic Services Manager), Jodie Small (Legal, Democratic and Corporate Support Assistant) and Adam Deakin (Technical Infrastructure Engineer)

Visitors Terry Tobin (Grant Thornton)

Apologies: No Apologies were received.

58 MINUTES OF THE PREVIOUS MEETING

The Chair requested that the Committee observe a one minute silence in tribute to the late Councillor Michael Greatorex, who had been a much valued member of the Committee, on the one year anniversary of his passing

The minutes of the meeting held on 23rd July 2020 were approved and signed as a correct record.

(Moved by Councillor M Oates and seconded by Councillor J Faulkner)

59 DECLARATIONS OF INTEREST

There were no declarations of Interest.

60 LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN ANNUAL REVIEW 19/20

The Assistant Director, People summarised the report which detailed the contents of the Local Government and Social Care Ombudsman's Annual Review Letter and summary of complaints, enquiries and decisions made for the year ended 31st March 2020. Following questions, the Chair requested that future reports contained more detail on upheld complaints and what measures the Council was taking to address any underlying issues that had led to those complaints.

RESOLVED That the Committee;

Endorsed the Annual Review Letter and summary of complaints, enquiries and decisions made as attached at Appendix 1.

(Moved by Councillor M Summers and seconded by Councillor C Cooke)

61 AUDIT FINDINGS REPORT 2019/20

Terry Tobin from Grant Thornton, the Council's external auditors, summarised the report. Following questions from Committee members, the Chair requested that both the external auditors and the Council's finance team be thanked for delivering an unqualified set of accounts and value for money audit opinion despite having to conduct the audit remotely due to the current Pandemic situation.

RESOLVED That the Committee;

Noted the Audit Findings Report 2019/20.

(Moved by Councillor C Cooke and seconded by Councillor S Pritchard)

62 MANAGEMENT REPRESENTATION LETTER 2019/20

The Executive Director, Finance summarised the management representation letter highlighting the salient points within.

RESOLVED That the Committee;

Approved the Management Representation Letter 2019/20.

(Moved by Councillor C Cooke and seconded by Councillor J Faulkner)

63 ANNUAL STATEMENT OF ACCOUNTS & REPORT 2019/20

The Executive Director Finance presented the annual statement of accounts and report to the Committee. He highlighted that there had been one late adjustment since the report had been issued, relating to the treatment of £1.1m of the Section 31 Business Rate Relief Grant. He requested that the recommendation to approve the annual statement of accounts 2019/20 include a corresponding adjustment of £1.1m on the balance sheet from debtors to creditors with no effect on the bottom line. Following this, assurances were sought from the Committee on the effect of the Pandemic on investment property valuations.

RESOLVED That Members;

- 1 Approved the Annual Statement of Accounts 2019/20 including a corresponding adjustment of £1.1m on the balance sheet relating to Section 31 Business Rate Relief Grant from debtors to creditors, with no effect on the bottom line;
- 2 Delegated authority to the Chair of the Audit and Governance Committee to approve any changes and re-sign the accounts, if necessary, once we have received assurance from Staffordshire County Council's external auditors in relation to the Staffordshire Pension Fund.

(Moved by Councillor M Summers and seconded by Councillor J Faulkner)

64 REVIEW OF THE ANNUAL REPORT ON THE TREASURY MANAGEMENT SERVICE AND ACTUAL PRUDENTIAL INDICATORS 2019/20

The Executive Director Finance presented the Annual Report on the Treasury Management Service and Actual Prudential Indicators 2019/20 as approved by Council on 15th September 2020. He asked members to consider whether they would highlight any proposed changes for recommendation to Cabinet. Following questions regarding the investments in property funds, no changes were proposed.

(Moved by Councillor M Summers and seconded by Councillor C Cooke)

65 REVIEW OF THE PROPOSED INVESTMENT IN PROPERTY FUNDS

The Executive Director Finance presented the report on the review the proposed investment in property funds. Following questions and debate, Councillor J Faulkner proposed an amendment to the recommendation that no further investment in property funds be undertaken until a review in Spring 2021 to

include a commitment that no new investments are made under existing delegations until after the review is completed. This amendment was moved by Councillor J Faulkner and seconded by Councillor C Cooke.

Following a vote, the motion was not carried.

RESOLVED That Members;

recommended to Cabinet that the planned investments in property funds be deferred, with a review during Spring 2021 when the situation should be clearer, to inform future investment plans

(Moved by Councillor S Pritchard and seconded by Councillor M Bailey)

66 RISK MANAGEMENT QUARTERLY UPDATE

The Assistant Director Finance provided the quarterly risk management update, highlighting the effect of the pandemic on the Council's strategic risks.

RESOLVED That Committee,

Endorsed the Corporate Risk Register.

(Moved by Councillor J Faulkner and seconded by Councillor M Bailey)

67 INTERNAL AUDIT QUARTERLY UPDATE REPORT

The Head of Audit and Governance & Monitoring Officer provided the Committee with internal audit's progress report for the period to 30 September 2020 (Quarter 2).

RESOLVED That Committee;

Noted the attached report

(Moved by Councillor C Cooke and seconded by Councillor M Summers)

68 COUNTER FRAUD UPDATE

The Head of Audit and Governance & Monitoring Officer presented the counter fraud update and the proposed Prevention of the Facilitation of Tax Evasion Policy Statement and Procedures for the Committee's endorsement.

- RESOLVED** That Committee;
- 1 Noted this update report, including the updated fraud action plan at **Appendix 1** and fraud risk register at **Appendix 2**
 - 2 Approved the new Prevention of the Facilitation of Tax Evasion Policy Statement and Procedures at **Appendix 3**

(Moved by Councillor M Summers and seconded by Councillor R Rogers)

69 ANNUAL GOVERNANCE STATEMENT & CODE OF CORPORATE GOVERNANCE

The Head of Audit and Governance & Monitoring Officer submitted the refreshed Annual Governance Statement and Code of Corporate Governance for Audit & Governance Committee's approval.

- RESOLVED** That Committee approved;
- a) The Annual Governance Statement (for inclusion in the annual statement of accounts) at **Appendix 1**; and
 - b) Code of Corporate Governance at **Appendix 2**

(Moved by Councillor J Faulkner and seconded by Councillor M Oates)

70 REVIEW OF THE CONSTITUTION AND SCHEME OF DELEGATION

The Head of Audit and Governance & Monitoring Officer presented the latest review of the constitution and scheme of delegation for the Audit & Governance Committee to comment on and endorse, in advance of its submission to Council in December 2020.

- RESOLVED** That Committee;
- Endorsed the proposed amendments to the Council's constitution (including the scheme of delegation) prior to its submission to Council.

(Moved by Councillor M Summers and seconded by Councillor C Cooke)

71 AUDIT AND GOVERNANCE COMMITTEE TIMETABLE

The Committee reviewed the timetable. No changes were recommended.

Chair

The Annual Audit Letter for Tamworth Borough Council

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Year ended 31 March 2020
8 January 2021



Contents



Your key Grant Thornton
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Section

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Appendices

- A Reports issued and fees

Executive Summary

Purpose

Our Annual Audit Letter (Letter) summarises the key findings arising from the work that we have carried out at Tamworth Borough Council (the Council) for the year ended 31 March 2020.

This Letter is intended to provide a commentary on the results of our work to the Council and external stakeholders, and to highlight issues that we wish to draw to the attention of the public. In preparing this Letter, we have followed the National Audit Office (NAO)'s Code of Audit Practice and Auditor Guidance Note (AGN) 07 – 'Auditor Reporting'. We reported the detailed findings from our audit work to the Council's Audit and Governance Committee as those charged with governance in our Audit Findings Report on 20 November 2020.

Our work

Materiality

We determined materiality for the audit of the Council's financial statements to be £1,200,000, which is 2% of the Council's gross revenue expenditure.

Financial Statements opinion

We gave an unqualified opinion on the Council's financial statements on 20 November 2020. This was the first opinion we issued at a Staffordshire council for 2019/20.

Whole of Government Accounts (WGA)

We completed work on the Council's consolidation return following guidance issued by the NAO.

Use of statutory powers

We did not identify any matters which required us to exercise our additional statutory powers.

Respective responsibilities

We have carried out our audit in accordance with the NAO's Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014 (the Act). Our key responsibilities are to:

- give an opinion on the Council's financial statements (section two)
- assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion) (section three).

In our audit of the Council's financial statements, we comply with International Standards on Auditing (UK) (ISAs) and other guidance issued by the NAO.

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Executive Summary

Value for Money arrangements We were satisfied that the Council put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources. We reflected this in our audit report to the Council on 20 November 2020.

Certificate We certified that we have completed the audit of the financial statements of Tamworth Borough Council in accordance with the requirements of the Code of Audit Practice on 20 November 2020.

Working with the Council The outbreak of the Covid-19 coronavirus pandemic has had a significant impact on the normal operations of the Council. Authorities were still required to prepare financial statements in accordance with the relevant accounting standards and the Code of Audit Practice, albeit to an extended deadline for the preparation of the financial statements up to 31 August 2020 and the date for audited financials statements to 30 November 2020. The Council has faced many front-line challenges such as administration of grants to businesses and the additional challenges of reopening services under new government guidelines. Finance staff have had to work at home.

Restrictions resulted in both the Council and audit team introducing new remote access working arrangements including remote accessing financial systems, video calling as well as making greater use of 'Inflo', our document management sharing system. We have also held regular virtual meetings with management and the Audit and Governance Committee.

We would like to record our appreciation for the excellent assistance and co-operation provided to us during our audit by the Council's staff.

Mark Stocks, Partner, Grant Thornton
January 2021

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Audit of the Financial Statements

Our audit approach

Materiality

In our audit of the Council's financial statements, we use the concept of materiality to determine the nature, timing and extent of our work, and in evaluating the results of our work. We define materiality as the size of the misstatement in the financial statements that would lead a reasonably knowledgeable person to change or influence their economic decisions.

We determined materiality for the audit of the Council's financial statements to be £1,200,000, which is 2% of the Council's gross revenue expenditure. We used this benchmark as, in our view, users of the Council's financial statements are most interested in where the Council has spent its revenue in the year.

We also set a lower level of specific materiality for senior officer remuneration and exit packages of £100,000.

We set a lower threshold of £60,000, above which we reported errors to the Audit and Governance Committee in our Audit Findings Report.

The scope of our audit

Our audit involves obtaining sufficient evidence about the amounts and disclosures in the financial statements to give reasonable assurance that they are free from material misstatement, whether caused by fraud or error. This includes assessing whether:

- the accounting policies are appropriate, have been consistently applied and adequately disclosed;
- the significant accounting estimates made by management are reasonable; and
- the overall presentation of the financial statements gives a true and fair view.

We also read the remainder of the financial statements and the narrative report, annual governance statement and Annual Report published alongside the financial statements to check it is consistent with our understanding of the Council and with the financial statements included in the Annual Report on which we gave our opinion.

We carry out our audit in accordance with ISAs (UK) and the NAO Code of Audit Practice. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach was based on a thorough understanding of the Council's business and is risk based.

We identified key risks and set out overleaf the work we performed in response to these risks and the results of this work.

Audit of the Financial Statements

Significant Audit Risks

These are the significant risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Management override of controls</p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management override of controls is present in all entities.</p> <p>We therefore identified management override of controls, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We have:</p> <ul style="list-style-type: none"> evaluated the design effectiveness of management controls over journals; analysed the journals listing and determine the criteria for selecting high risk unusual journals; tested unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration; gained an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence; and evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions. 	<p>Our audit work has not identified any issues in respect of management override of controls. However our testing did identify some control issues on journals that could lead to an increased risk of fraud although no fraud was identified from our testing. This related to the fact that the most senior finance staff can post journals.</p>
<p>Valuation of land and buildings (both PPE and Investment Assets)</p> <p>The Authority revalue PPE land and buildings on a rolling five-yearly basis, and investment properties every year.</p> <p>This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions.</p> <p>This represents a significant estimate by management in the financial statements.</p> <p>We identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk.</p>	<p>We have:</p> <ul style="list-style-type: none"> evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work; evaluated the competence, capabilities and objectivity of the valuation expert; communicated with the valuer to confirm the basis on which the valuation was carried out; challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding; tested revaluations made during the year to see if they had been input correctly into the Authority's asset register; and evaluated the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value at year end. 	<p>Our audit work did not identify any issues in respect of valuations of the Council's property. Our audit report included an Emphasis of Matter paragraph, highlighting the material uncertainties in asset valuations stated in your accounts due to the Covid-19 pandemic. This drew attention to this issue and was not a qualification of our audit opinion</p>

Audit of the Financial Statements

Significant Audit Risks - continued

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Valuation of pension fund net liability</p> <p>The Authority's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved and the sensitivity of the estimate to changes in key assumptions.</p> <p>We therefore identified valuation of the Authority's pension fund net liability as a significant risk.</p>	<p>We have:</p> <ul style="list-style-type: none"> updated our understanding of the processes and controls put in place by management to ensure that the Authority's pension fund net liability is not materially misstated and evaluate the design of the associated controls; evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work; assessed the competence, capabilities and objectivity of the actuary who carried out the Authority's pension fund valuation; assessed the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability; tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary; and undertaken procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report. obtained assurances from the auditor of Staffordshire Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements. 	<p>Our audit work has not identified any issues in respect of the valuation of the pension fund liability. Our audit report included an Emphasis of Matter paragraph, highlighting the material uncertainties in pension fund property investment asset valuations stated in your accounts due to the Covid-19 pandemic. This drew attention to this issue and was not a qualification of our audit opinion</p>

Audit of the Financial Statements

Significant Audit Risks - continued

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Covid-19 pandemic</p> <p>The global outbreak of the Covid-19 virus pandemic has led to unprecedented uncertainty for all organisations, requiring urgent business continuity arrangements to be implemented. We expect current circumstances will have an impact on the production and audit of the financial statements for the year ended 31 March 2020, including and not limited to:</p> <p>Remote working arrangements and redeployment of staff to critical front line duties may impact on the quality and timing of the production of the financial statements, and the evidence we can obtain through physical observation</p> <p>Volatility of financial and property markets will increase the uncertainty of assumptions applied by management to asset valuation and receivable recovery estimates, and the reliability of evidence we can obtain to corroborate management estimates</p> <p>Financial uncertainty will require management to reconsider financial forecasts supporting their going concern assessment and whether material uncertainties for a period of at least 12 months from the anticipated date of approval of the audited financial statements have arisen; and</p> <p>Disclosures within the financial statements will require significant revision to reflect the unprecedented situation and its impact on the preparation of the financial statements as at 31 March 2020 in accordance with IAS1, particularly in relation to material uncertainties.</p> <p>We therefore identified the global outbreak of the Covid-19 virus as a significant risk, which was one of the most significant assessed risks of material misstatement</p>	<p>We carried out the following work</p> <ul style="list-style-type: none"> Worked with management to understand the implications the response to the Covid-19 pandemic has on the organisation's ability to prepare the financial statements and update financial forecasts and assess the implications on our audit approach Liaised with other audit suppliers, regulators and government departments to co-ordinate practical cross sector responses to issues as and when they arise Evaluated the adequacy of the disclosures in the financial statements in light of the Covid-19 pandemic. Evaluated whether sufficient audit evidence using alternative approaches can be obtained for the purposes of our audit whilst working remotely Evaluated whether sufficient audit evidence can be obtained to corroborate significant management estimates such as asset valuations and recovery of receivable balances Evaluated management's assumptions that underpin the revised financial forecasts and the impact on management's going concern assessment Discussed with management any potential implications for our audit report if we have been unable to obtain sufficient audit evidence 	<p>The audit has been more challenging for both us and the finance team due to this remote working. There are material uncertainties in the valuation of land and buildings as a result of the pandemic and an increased risk of material estimation uncertainty in the net pension liability. There is also a negative impact as elsewhere on the Council's financial sustainability as discussed further in the value for money section of this letter.</p>

Audit of the Financial Statements

Audit opinion

We gave an unqualified opinion on the Council's financial statements on 20 November 2020.

Preparation of the financial statements

The Council presented us with draft financial statements in accordance with the national deadline, and provided a good set of working papers to support them. The finance team responded promptly and efficiently to our queries during the course of the audit.

Issues arising from the audit of the financial statements

We reported the key issues from our audit to the Council's Audit and Governance Committee on 29 October 2020.

Annual Governance Statement and Narrative Report

We are required to review the Council's Annual Governance Statement and Narrative Report. It published them on its website in the Statement of Accounts in line with the national deadlines.

Both documents were prepared in line with the CIPFA Code and relevant supporting guidance. We confirmed that both documents were consistent with the financial statements prepared by the Council and with our knowledge of the Council.

Whole of Government Accounts (WGA)

We carried out work on the Council's Data Collection Tool in line with instructions provided by the NAO. We issued an assurance statement which confirmed the Council was below the audit threshold on 20 November 2020.

Other statutory powers

We also have additional powers and duties under the Act, including powers to issue a public interest report, make written recommendations, apply to the Court for a declaration that an item of account is contrary to law, and to give electors the opportunity to raise questions about the Council's accounts and to raise objections received in relation to the accounts.

We did not identify any matters which required us to exercise our additional statutory powers.

Certificate of closure of the audit

We certified that we have completed the audit of the financial statements of Tamworth Borough Council in accordance with the requirements of the Code of Audit Practice on 20 November 2020.

Value for Money conclusion

Background

We carried out our review in accordance with the NAO Code of Audit Practice, following the guidance issued by the NAO in November 2017 which specified the 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.

Key findings

Our first step in carrying out our work was to perform a risk assessment and identify the risks where we concentrated our work. No significant risks were identified from this planning.

As part of our continuous planning, we considered the Council's outturn financial position for 2019/20, progress in setting its budget for the 2020/21 year, and also the updated medium term financial strategy (MTFS) in light of the Covid-19 Pandemic. We considered the appropriateness of the process followed, including any actions taken to mitigate the Council's risk. The Council's reporting on its forward planning and budget setting was considered to be transparent, clearly setting out key assumptions and risks such as the uncertainties around future government funding.

The Council finished the 2019/20 financial year with an underspend (£418k) against budget. This continues the Council's performance of strong budget management.

The medium to long term financial position remains challenging. The original MTFS included the planned use of General Fund reserves, which would reduce the available balance to £0.5m by the end of 2022/23. Due to reductions in income and additional cost pressures, without further action or additional income, the Council has forecast that it will have exhausted its General Fund balance by the end of 2022/23. This is not an acceptable position as the Council needs to retain sufficient balances to respond to any future emergencies.

The Council is aware of this and has already taken action in the short term to mitigate the impact. These actions include a suspension of non-essential spending and a vacancy freeze. Further savings of £1.6m are likely to be needed over 3 years. Cabinet on 22nd October 2020 approved the Recovery and Reset programme which aims to consider how the Council can tackle the financial challenges facing the council as a result of the coronavirus pandemic. This will include reviewing services, reducing waste demand on services, exploring opportunities for income generation and identifying any further savings.

The Council acknowledge that this is not sustainable in the long-term. Work is ongoing in a number of areas to address the financial position in future years, including future options for the Council's commercial investment strategy. It is important that progress on this work is carefully monitored by members.

Overall Value for Money conclusion

We are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2020.

A. Reports issued and fees

We confirm below our final reports issued and fees charged for the audit and provision of non-audit services.

Reports issued

Report	Date issued
Audit Plan	February 2020
Audit Findings Report	October 2020
Annual Audit Letter	December 2020

Fees

	Planned £	Actual £	2017/18 £
Statutory audit	45,875	52,750	42,875
Total fees	45,875	52,750	42,875

The variation in audit fee from that planned is due to the impact of the Covid-19 Pandemic on the audit of your financial statements and is still subject to PSAA approval. As a result of the impact of the pandemic and regulatory changes, the total number of audit days increased by 45 (50%) from 2018/19. Due to the quality and proactivity of the Council accounts team, the accounts were signed off earlier than our other Staffordshire councils and needed less resource than could have been the case. Hence the proposed change in fee from the audit plan is at the minimum end of the scale compared to other councils.

Our fees for the certification of the Council's Housing Benefit grant and pooling of housing capital receipts will be confirmed following the completion of our work.

Fees for non-audit services

Service	Fees £
Non audit related services	Nil
Audit related services	
- Certification of Pooling of Housing Capital Receipts	2,500
- Housing Benefits Assurance	12,000

Non-audit services

- For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council. The table above summarises all non-audit services which were identified.
- We have considered whether non-audit services might be perceived as a threat to our independence as the Council's auditor and have ensured that appropriate safeguards are put in place.

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



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AUDIT AND GOVERNANCE COMMITTEE

Thursday, 11th February 2021

REPORT OF THE ASSISTANT DIRECTOR FINANCE

RISK MANAGEMENT QUARTERLY UPDATE

Risk management process

Purpose

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

Recommendations

That the Committee endorses the Corporate Risk Register

Executive Summary

One of the functions of the Audit & Governance Committee is to monitor the effectiveness of the authority's Strategic risk management arrangements, including the actions taken to manage those risks and to receive regular reports on this activity. Corporate risks are identified, managed and monitored by the Corporate Management Team (CMT) on a quarterly basis.

As previously reported the structure for the Strategic risks is being reviewed to reflect the current organisation structure and ensure it carries the appropriate level of focus. The review work has progressed and is still continuing but due to the continued resourcing requirements in responding to the pandemic it was agreed by CMT in January 2021, that any further work would have to be postponed until the 1st quarter of 2021-22.

We have engaged Zurich Municipal Risk & Resilience team (ZM) to consider how Covid 19 may impact on our risk Horizon. This took the form of a survey collecting the views of CMT. Feedback from the survey was delivered as a workshop on the 10-12-2020. The results were well received and stimulated a range of interesting discussions.

The summary of the current Corporate Risk Register is attached as **Appendix 1** and the detailed for information is attached as **Appendix 2**. The major items of note in the quarter period remained;

- the continued and changing effect of Covid-19 on the operations of the Authority,
- the transition period for BREXIT

BREXIT may have a limited direct effect on the Authority but the situation will continue to be carefully monitored to ensure Tamworth is in a position to take

advantage of any opportunities that are presented and equally ensure that the negative impacts are managed as best as we can.

Options Considered

None.

Resource Implications

None.

Legal / Risk Implications

There are no direct legal implications from this report but failure to manage strategic risks could lead to issues in delivering strategic priorities.

SUSTAINABILITY IMPLICATIONS

None

BACKGROUND INFORMATION

None

REPORT AUTHOR

Roger Bennett ext. 246

LIST OF BACKGROUND PAPERS

None

APPENDICES

Appendix 1 Summary Corporate Risk Register











Appendix 2 Detailed Corporate Risk Register

Corporate Risk Register 2020/21

Generated on: 25 January 2021







Title	Description
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Finance To ensure that the Council is financially sustainable as an organisation

Risk	Gross Risk Status	Gross Risk Assessment	Current Risk Status	Current Risk Assessment	Date Reviewed
Funding gaps		12 major – likely		9 serious–likely	18-Jan-2021
Business Rates Retention		12 major – likely		9 serious–likely	18-Jan-2021
New Homes Bonus		9 serious–likely		6 serious–unlikely	18-Jan-2021
Welfare and Benefit Reform		12 serious – very likely		12 major – likely	18-Jan-2021
Failure to manage budgets		12 major – likely		6 serious–unlikely	18-Jan-2021

Title	Description
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Modernisation & Commercialisation Agenda Develop and implement continuous improvement and develop employees to perform the right work

Risk	Gross Risk Status	Gross Risk Assessment	Current Risk Status	Current Risk Assessment	Date Reviewed
Contract Management & Procurement		6 serious–unlikely		4 significant–unlikely	18-Jan-2021
Management of Assets		6 significant–likely		6 significant–likely	18-Jan-2021
New Revenue Streams		12 serious – very likely		9 serious–likely	18-Jan-2021





Risk	Gross Risk Status	Gross Risk Assessment	Current Risk Status	Current Risk Assessment	Date Reviewed
Workforce Planning Challenges		6 serious-unlikely		6 serious-unlikely	13-Jan-2021
Continuous Improvement		6 serious-unlikely		4 significant-unlikely	13-Jan-2021
Partnerships fail		9 serious-likely		6 serious-unlikely	22-Jan-2021



Title	Description
Governance	Ensure that processes, policies and procedures are in place and the authority is held to account

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Risk	Gross Risk Status	Gross Risk Assessment	Current Risk Status	Current Risk Assessment	Date Reviewed
Democratic Process		9 serious-likely		6 serious-unlikely	13-Jan-2021
Legislation		12 serious - very likely		4 significant-unlikely	13-Jan-2021
Policies & Procedures		12 serious - very likely		6 serious-unlikely	22-Jan-2021
Ethics		12 serious - very likely		4 significant-unlikely	25-Jan-2021







Title	Description
Community Focus	To ensure the safety, health and wellbeing of the citizens of the borough

Risk	Gross Risk Status	Gross Risk Assessment	Current Risk Status	Current Risk Assessment	Date Reviewed
Community Cohesion & Engagement		12 serious - very likely		9 serious-likely	21-Jan-2021
Safeguarding Children & Adults (including Modern Slavery)		12 major - likely		6 significant-likely	22-Jan-2021

Risk	Gross Risk Status	Gross Risk Assessment	Current Risk Status	Current Risk Assessment	Date Reviewed
Emergency Planning		12 major – likely		6 serious–unlikely	19–Oct–2020







Title	Description
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Economic Growth & Sustainability	To ensure that the economic growth and sustainability of the borough is maintained
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Risk	Gross Risk Status	Gross Risk Assessment	Current Risk Status	Current Risk Assessment	Date Reviewed
Lack of economic investment in people and Places		12 serious – very likely		9 serious–likely	08–Jan–2021
Housing Needs		12 serious – very likely		9 serious–likely	21–Jan–2021
Economic Changes		12 major – likely		9 serious–likely	25–Jan–2021





Title	Description
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Information Safeguarding	To ensure that our data is protected
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Risk	Gross Risk Status	Gross Risk Assessment	Current Risk Status	Current Risk Assessment	Date Reviewed
Data Protection and information Safeguarding		16 major – very likely		6 serious–unlikely	13–Jan–2021
Cyber Security		12 major – likely		8 major – unlikely	13–Jan–2021
Business Continuity		12 major – likely		9 serious–likely	18–Jan–2021


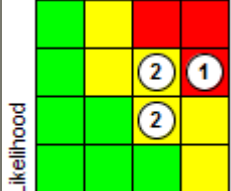
Title	Description
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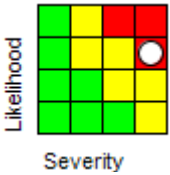
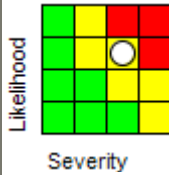
Brexit	The Impact of Brexit upon the Council
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Risk	Gross Risk Status	Gross Risk Assessment	Current Risk Status	Current Risk Assessment	Date Reviewed
Financial		16 major – very likely		4 significant–unlikely	18-Jan-2021
The Impact of Brexit upon the Council		16 major – very likely		4 significant–unlikely	18-Jan-2021


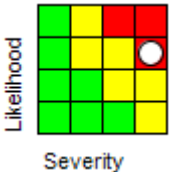
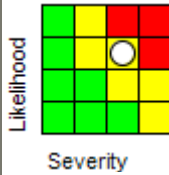
Corporate Risk Register 2020/21


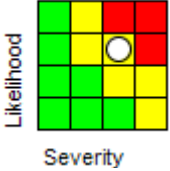
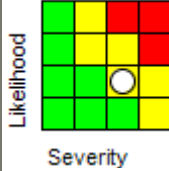
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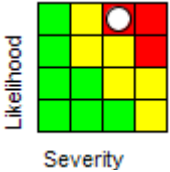
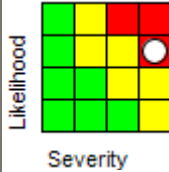
Risk Code	CPR2021 1	Risk Title	Finance	Current Risk Status	
Description of Risk	To ensure that the Council is financially sustainable as an organisation			Assigned To	
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	 <p>Likelihood</p> <p>Severity</p>
Gross Risk Score				Current Risk Score	
Gross Severity				Current Severity	
Gross Likelihood				Current Likelihood	
Gross Risk Review Date				Last Risk Review Date	
Consequences					
Vulnerabilities/causes					
Risk Notes					


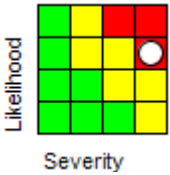
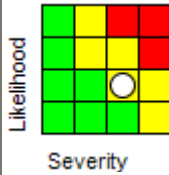
Risk Code	CPR2021 1.1	Risk Title	Funding gaps	Current Risk Status	
Description of Risk				Assigned To	Stefan Garner; Lynne Pugh
Gross Risk Matrix		Risk Treatment Measures Implemented			
Gross Risk Score	12	Medium term financial strategy in place - approved annually	Current Risk Matrix		
Gross Severity	4	Quarterly healthcheck to CMT / Cabinet including MTFS update	Current Risk Score	9	
Gross Likelihood	3	Business Rates Collection Reserve - provision of reserve funding to mitigate impact of any changes in business rate income levels	Current Severity	3	
Gross Risk Review Date	30-Jun-2020	Monitoring of the situation / regular reporting	Current Likelihood	3	
		A robust & critical review of savings proposals is required / undertaken before inclusion within the forecast	Last Risk Review Date	18-Jan-2021	
		Scrutiny Role by Executive Management Team (ELT/Cabinet) and CMT			
		Robust management of DFG referrals / funding levels			
		Prudent approach to forecasting of Government Funding (NNDR/RSG/New Homes Bonus) from 2022/23 - including redistribution of growth in business rates since 2013			
		Contingencies and Contingency/Transformation Reserve in place			
		Managers reviewed their budgets and identify all non-essential spending for 2020/21 as part of the quarter 1 projections at 30 June 2020 - savings of £1.2m identified			
		Recovery and Reset programme approved by Cabinet October 2020			
Consequences	<p>Inability to plan long term due to uncertainty over future Local Government funding arising from the Fair Funding Review, the planned business rates reset and the revised business rates retention scheme.</p> <p>Following announcements as part of Spending Round 2019 that the Review of the distribution methodology, the 'Fair Funding Review' as well as the planned Business Rates Reset will be now be reviewed as part of the Comprehensive Spending Review now planned for 2020, the Government has confirmed, due to the</p>				


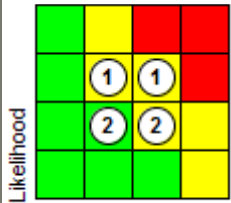
	<p>pandemic, that the longer-term reforms for the local government finance system (including the move to 75% Business Rates Retention and Fairer Funding Review of Relative Needs and Resources) will be deferred again as a result of the current situation, although no timescales have been released. The Government has said it will keep an open dialogue with the local authorities about the best approach to the next financial year, including how to treat accumulated business rates growth (pending the planned business rates baseline reset) and the approach to the 2021/22 local government finance settlement - now confirmed with no business rates reset. However, there is a high risk that this will have a significant effect on the Council's funding level from 2022/23.</p> <p>Increased risks associated with those Councils who are borrowing large sums to invest in commercial property activities.</p> <p>Shortfall in DFG grant funding / impact on General Fund revenue</p> <p>Impact of COVID-19 on future income levels uncertain - prudent approach to forecasting business rates, council tax and income from fees and charges will be needed</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 31</p> <p>Vulnerabilities/causes</p>	<p>Austerity cuts/Major variances to the level of grant/subsidy</p> <p>Business rates retention – deferral of the 75% retention of business rates (rather than 100% as previously planned).</p> <p>Review of the distribution methodology, the 'Fair Funding Review' as well as the planned Business Rates Reset (when a proportion of the growth in business rates achieved since 2013/14 will be redistributed) together with the Spending Review.</p> <p>The Government has confirmed, due to the pandemic, that the longer-term reforms for the local government finance system (including the move to 75% Business Rates Retention and Fairer Funding Review of Relative Needs and Resources) will be deferred again as a result of the current situation, although no timescales have been released. The Government has said it will keep an open dialogue with the local authorities about the best approach to the next financial year, including how to treat accumulated business rates growth (pending the planned business rates baseline reset) and the approach to the 2021/22 local government finance settlement - now confirmed with no business rates reset.</p> <p>In addition, the next planned national Business Rates Revaluation has been deferred and will now take effect from 2023/24 – with latest indications that the Government will also aim to introduce a centralised system for business rate appeals at the same time to cover future changes arising from the 2023 valuation list</p> <p>Non achievement/delivery of substantial savings</p> <p>Review of the Treasury Management Investment Guidance / Minimum Revenue Provision Guidance has been carried out by DCLG - however, planned CIPFA review of Prudential code may lead to a potential restriction of investments by Councils given increased risk exposure.</p> <p>Disabled Facilities Grants - increased demand / costs not in line with grant levels impacting on other funding sources, uncertainty over funding.</p> <p>During the COVID-19 pandemic the Council will lose income and other resources. Whilst the full extent of this cannot be known at present it will be necessary for the Council to take an accelerated approach towards the development and implementation of an effective sustainability strategy. Accordingly, it was approved that there is an immediate suspension of all non-essential spending and that the budget be revised to remove these budgets following the preparation of the first quarterly monitoring report. Managers were required to review their budgets and identify all non-essential spending for 2020/21 as part of the quarter 1 projections at 30 June 2020.</p>
<p>Risk Notes</p>	

Risk Code	CPR2021 1.2	Risk Title	Business Rates Retention	Current Risk Status	
Description of Risk				Assigned To	Stefan Garner; Lynne Pugh
Gross Risk Matrix		Risk Treatment Measures Implemented			
Gross Risk Score	12	Robust estimates included to arrive at collection target. Ongoing proactive management & monitoring will continue Business Rates Collection Reserve - provision of reserve funding to mitigate impact of any changes in business rate income levels	Current Risk Matrix		
Gross Severity	4		Current Risk Score	9	
Gross Likelihood	3		Current Severity	3	
Gross Risk Review Date	29-Mar-2019	Prudent approach to forecasting of Government Funding (NNDR/RSG/New Homes Bonus) from 2022/23 - including redistribution of growth in business rates since 2013	Current Likelihood	3	
Last Risk Review Date			Last Risk Review Date	18-Jan-2021	
Consequences	Reduced levels of business rates income and impact on MTFs				
Vulnerabilities/causes	<p>Uncertainty over level of appeals following 2017 Revaluation and implementation of new approach to 'Check, Challenge and appeal' Impact on collection levels Uncertainty / changes in S31 grants Void property levels</p> <p>Uncertainty due to:</p> <p>Business rates retention – deferral of the 75% retention of business rates.</p> <p>The Government has confirmed, due to the pandemic, that the longer-term reforms for the local government finance system (including the move to 75% Business Rates Retention and Fairer Funding Review of Relative Needs and Resources) will be deferred again as a result of the current situation, although no timescales have been released. The Government has said it will keep an open dialogue with the local authorities about the best approach to the next financial year, including how to treat accumulated business rates growth (pending the planned business rates baseline reset) and the approach to the 2021/22 local government finance settlement - now confirmed with no business rates reset.</p> <p>In addition, the next planned national Business Rates Revaluation has been deferred will now take effect from 2023/24 (deferred from 2021/22) – with latest indications that the Government will also aim to introduce a centralised system for business rate appeals at the same time to cover future changes arising from the 2021 valuation list. The government has recently announced that with the changing circumstances as a result of the COVID-19 pandemic, the next revaluation will not go ahead in 2022.</p> <p>The effects of the pandemic on future business rates income (& therefore the Councils finances) will not be known for months to come</p>				


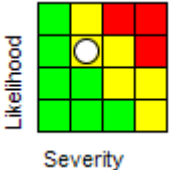
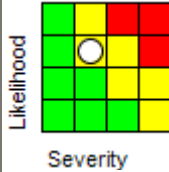
Risk Code	CPR2021 1.3	Risk Title	New Homes Bonus	Current Risk Status	
Description of Risk				Assigned To	Stefan Garner; Lynne Pugh
Gross Risk Matrix		Risk Treatment Measures Implemented			
Gross Risk Score	9	Given uncertainty over the review of the distribution methodology, the 'Fair Funding Review' as well as the planned Spending Review 2019 - which was planned take effect from 2020/21 a revised risk based approach was introduced in 2018 for 2019/20 onwards.	Current Risk Matrix		
Gross Severity	3		Current Risk Score	6	
Gross Likelihood	3		Current Severity	3	
Gross Risk Review Date	29-Mar-2019	Announcements as part of Spending Round 2019 that NHB scheme will be reviewed as part of the Comprehensive Spending Review - also, legacy funding for the 4 years to 2019/20 will be paid, as well as continuation of the scheme for 2020/21 only. New payments for 2020/21 & extension of scheme for 2021 recently confirmed for 2021/22 onwards will not be guaranteed pending the review.	Current Likelihood	2	
Last Risk Review Date	18-Jan-2021				
Consequences	Reduced levels of New Homes Bonus grant funding & Growth in Council tax Income				
Vulnerabilities/causes	<p>Uncertainty over the ongoing funding for the New Homes Bonus scheme, local growth in housing numbers and share of the national pool (including potential increases to the 'deadweight' for which Council's no longer receive grant). Deadweight confirmed unchanged at 0.4% for 2021/22.</p> <p>Announcements as part of Spending Round 2019 that NHB scheme will be reviewed as part of the Comprehensive Spending Review - also, legacy funding for the 4 years to 2019/20 will be paid, as well as continuation of the scheme for 2020/21 only. New payments for 2020/21 & extension of scheme for 2021 recently confirmed for 2021/22 onwards will not be guaranteed pending the review.</p> <p>Plans for a consultation during 2021 announced in December as part of the Provisional Local Government Finance Settlement for 2021/22</p>				
Risk Notes					


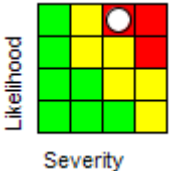
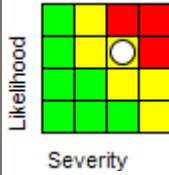
Risk Code	CPR2021 1.5	Risk Title	Welfare and Benefit Reform	Current Risk Status	
Description of Risk	Welfare and Benefit Reform			Assigned To	Rob Barnes; Stefan Garner; Tina Mustafa; Lynne Pugh
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	12	Proactive approach to management of Homelessness Proactive management & monitoring of corporate income levels i.e. council tax, business rates (monthly review of target achievement) & housing rent Extensive preparation including staff training Regular CMT, Cabinet and Scrutiny Committee updates		Current Risk Score	12
Gross Severity	3			Current Severity	4
Gross Likelihood	4			Current Likelihood	3
Gross Risk Review Date	29-Mar-2019			Last Risk Review Date	18-Jan-2021
Consequences	Reduced income / increased bad debts - forecasts adjusted Additional impact arising from increased need for services - eg homelessness Greater demand on 3rd sector and statutory agency services Additional resource requirement to meet demand				
Vulnerabilities/causes	Reduced income corporately due to welfare reform changes (including council tax support scheme and Universal Credit with further austerity measures from Welfare Reform Act 2015) - impact on council tax, rent income etc Implementation of Government policy at local level - Impact of universal Credit being assessed Household hardship				
Risk Notes	Risk downgraded as performance shows high collection levels when benchmarked and measured. COVID19 flash audit also due. Corporate Project continues with external support being engaged to support corporate debt strategy development. Work Commissioned as part of the review around the corporate debt strategy to support those households with multiple debt. Vulnerability and base line assessment also underway to inform risk control measures as part of the early response to COVID and its impact. Corporate Debt Strategy update and proposals are a key corporate project and on track for delivery 2020/2021. Leader and scrutiny supported letters to DWP around the impact of Universal Credit Identified as a Corporate project 27/3/19 and risks being managed				


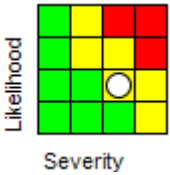
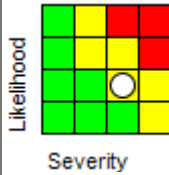
Risk Code	CPR2021 1.6	Risk Title	Failure to manage budgets	Current Risk Status	
Description of Risk	Failure to manage budgets			Assigned To	Stefan Garner; Lynne Pugh
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	12	Budget planning & monitoring (Monthly report to CMT) Training Monthly budget monitoring meetings with Accountants and Managers Budget monitoring information available through Collaborative Planning (updated monthly) Annual review of unspent budgets feeds into budget setting process - Managers reviewed their budgets and identify all non-essential spending for 2020/21 as part of the quarter 1 projections at 30 June 2020 - savings of £1.2m identified. (During the COVID-19 pandemic the Council will lose income and other resources. Whilst the full extent of this cannot be known at present it will be necessary for the Council to take an accelerated approach towards the development and implementation of an effective sustainability strategy. Accordingly, it was approved that there is an immediate suspension of all non-essential spending and that the budget be revised to remove these budgets following the preparation of the first quarterly monitoring report. Managers were required to review their budgets and identify all non-essential spending for 2020/21 as part of the quarter 1 projections at 30 June 2020.) Training sessions for new manager rolled out in 2019 with more planned for 2020/2021		Current Risk Score	6
Gross Severity	4			Current Severity	3
Gross Likelihood	3			Current Likelihood	2
Gross Risk Review Date	29-Mar-2019			Last Risk Review Date	18-Jan-2021
Consequences	Cuts in front line service provision Quality of service declines Inability to meet on-going costs Budget overspends/underspends Reputational issues				
Vulnerabilities/causes	Lack of involvement / ownership by Managers Information not updated / provided on a regular basis				
Risk Notes	In response to the latest MTFS update all managers were required to review their budgets and identify all non-essential spending for 2020/21 as part of the quarter 1 projections at 30 June 2020.				

Risk Code	CPR2021 2	Risk Title	Modernisation & Commercialisation Agenda	Current Risk Status	
Description of Risk	Develop and implement continuous improvement and develop employees to perform the right work		Assigned To		
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	 <p>Likelihood</p> <p>Severity</p>
Gross Risk Score				Current Risk Score	
Gross Severity				Current Severity	
Gross Likelihood				Current Likelihood	
Gross Risk Review Date				Last Risk Review Date	
Consequences					
Vulnerabilities/causes					
Risk Notes					


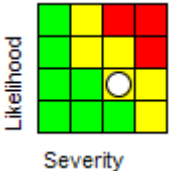
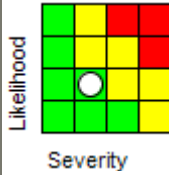
Risk Code	CPR2021 2.1	Risk Title	Contract Management & Procurement	Current Risk Status	
Description of Risk	Contract Management & Procurement			Assigned To	Stefan Garner; Lynne Pugh
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	6	Procurement function Financial Guidance requirements / Contract standing orders in place Contracts review under GDPR legislation to ensure due diligence and obligations met Training for new managers rolled out in 2019 with more planned for 2020/2021 Quarterly update to CMT on contract management and procurement update planned		Current Risk Score	4
Gross Severity	3		Current Severity	2	
Gross Likelihood	2		Current Likelihood	2	
Gross Risk Review Date	29-Mar-2019		Last Risk Review Date	18-Jan-2021	
Consequences	Services not delivered Damage to reputation Loss of quality service High exit costs Efficiencies not gained Regulations not met				
Vulnerabilities/causes	Failure to meet service delivery expectations Partner has financial failure Service delivery collapses Third party supply chain failure Contractor/partner under performs Failure to assess and manage the risks arising from the use of third parties Benefit not realised				
Risk Notes					


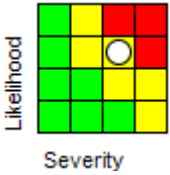
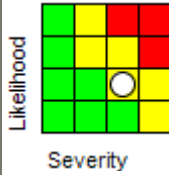
Risk Code	CPR2021 2.2	Risk Title	Management of Assets	Current Risk Status	
Description of Risk	Management of Assets			Assigned To	Rob Barnes; Stefan Garner; Lynne Pugh; Paul Weston
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	6	Asset Strategy Steering Group in place qrtly meetings Asset register updated regularly Potential to purchase land in other districts for development (subject to Potential government restraints in the future) Development of longer term Corporate Capital Strategy and Asset Management Planning including potential acquisition, investment and disposal Proactive approach to respond to emerging fire risk requirements i.e. High rise Flats Ensure programmes and projects are appropriately resourced.	Current Risk Score	6	
Gross Severity	2		Current Severity	2	
Gross Likelihood	3		Current Likelihood	3	
Gross Risk Review Date	15-Jan-2019		Last Risk Review Date	18-Jan-2021	
Consequences	Assets under utilised Income streams not maximised Decrease in asset value				
Vulnerabilities/causes	Assets not monitored Assets not maintained No land available for development opportuni				
Risk Notes	Issues relating to Covid remain apparent and could see an increase in vacant property and difficulty in letting in future; this would lead to loss of income and additional expenditure. Outcome of condition survey delayed. There is the very real likelihood that there will be negative impacts resulting from COVID 19 on the Councils ability to sustain lets for commercial/industrial property. This will impact on income and future viability of assets. There is the very real likelihood that there will be negative impacts resulting from COVID 19 on the Councils ability to sustain lets for commercial/industrial property. This will impact on income and future viability of assets.				


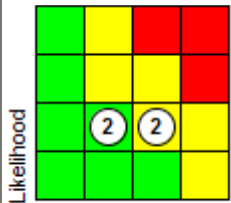
Risk Code	CPR2021 2.3	Risk Title	New Revenue Streams	Current Risk Status	
Description of Risk	New Revenue Streams			Assigned To	Stefan Garner; Lynne Pugh
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	12	Monitoring of the situation / regular reporting Implementation of planned / potential investment and consequential income streams A robust & critical review of investment proposals is required / undertaken Develop commercial skills	Current Risk Score	9	
Gross Severity	3		Current Severity	3	
Gross Likelihood	4		Current Likelihood	3	
Gross Risk Review Date	29-Mar-2019		Last Risk Review Date	18-Jan-2021	
Consequences	Increased risks associated with those Councils who are borrowing large sums to invest in commercial property activities				
Vulnerabilities/causes	Delivery of the planned Commercial Investment Strategy actions and associated improved investment returns of 4% p.a. arising from the investment of £24m from the capital receipt received over the period 2016 – 2018 from the sale of the former golf course (to support the MTFS in the long term); Review of the Treasury Management Investment Guidance / Minimum Revenue Provision Guidance has been carried out by DCLG - Cipfa currently reviewing the Prudential Code with a potential restriction of investments by Councils given increased risk exposure. From 9/10/19 PWLB increased the interest rates offered on new Public Works Loan Board by 1% on top of existing loans terms Uncertainty over future income levels from commercial investments - review of approach to property fund investments undertaken late 2020 and approved by Council in December 2020				
Risk Notes	The Council has delayed any further investment in Property Funds in light of the current COVID-19 pandemic.				


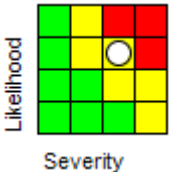
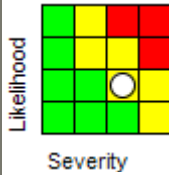
Risk Code	CPR2021 2.4	Risk Title	Workforce Planning Challenges	Current Risk Status	
Description of Risk	Workforce Planning Challenges			Assigned To	Anica Goodwin; Zoe Wolicki
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	6	Service reviews as required Regular communication Regular ELT briefings Essential legislative/compliance/CPD Skills development HR policies and procedures reviewed Financial regulations/procedures Healthshield and occupational health Pre employment checks Gender pay reporting Regular updates with Trade Unions Workforce plan succession planning OD Strategy PDRs	Current Risk Score	6	
Gross Severity	3		Current Severity	3	
Gross Likelihood	2		Current Likelihood	2	
Next Risk Review Date	15-Jun-2020		Last Risk Review Date	13-Jan-2021	
Consequences	Strain on remaining staff Risk to service delivery Industrial action Increase in fraud Increase in grievances from staff Inability to align skill levels Pay and conditions below market conditions Increased absence rates Failure to manage change				
Vulnerabilities/causes	Staff become overloaded Low morale has impact on service delivery Industrial unrest Redundancy costs Failure to communicate effectively High sickness levels Leadership capacity insufficient to drive change & transformation Senior management review				

	<p>Inequality Unable to recruit to essential vacant posts Inability to deliver key projects Key officers diverted to other new commitments</p>
Risk Notes	<p>Workforce planning continues as Covid restrictions on service delivery impacts.</p> <p>Casual employees not being used at the moment.</p> <p>Employees from the TAR, Chauffeurs, Castle and gym/activity centre have had their posts/hours made redundant.</p> <p>Some employees have been reassigned to other services/functions as required.</p> <hr/> <p>reviewed no change</p>


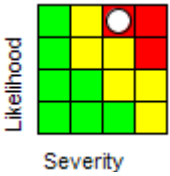
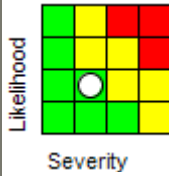
Risk Code	CPR2021 2.5	Risk Title	Continuous Improvement	Current Risk Status	
Description of Risk	Continuous Improvement			Assigned To	Andrew Barratt; Anica Goodwin
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	6	Clear communications re change Robust policies and procedures Effective project management On-going transformational programmes Post Implementation Reviews Leadership Long term planning for continuous improvement clarity of strategies/ purpose Membership of professional bodies Relationships with Members		Current Risk Score	4
Gross Severity	3			Current Severity	2
Gross Likelihood	2			Current Likelihood	2
Gross Risk Review Date	11-Jan-2020			Last Risk Review Date	13-Jan-2021
Consequences	Change is not completed No strategic direction Inability to deliver key projects				
Vulnerabilities/causes	No clarity around responsibilities and accountabilities Lack of leadership Work overload				
Risk Notes	Where possible continuous improvement has not stalled due to Covid. Significant enhancements to ICT provision has resulted in a 'step change' in the digital delivery of services No changes				


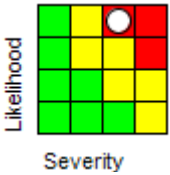
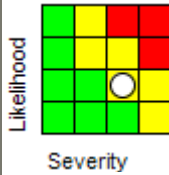
Risk Code	CPR2021 2.6	Risk Title	Partnerships fail	Current Risk Status	
Description of Risk	Partnerships			Assigned To	Rob Barnes; Joanne Sands
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	9	Regular partnership service meetings Engagement with service realignments Development of collaborative working TSP Partnership Coordination Group Development and delivery of shared plans and programmes Deployment of TBC resources to support VS pandemic response TBC grant programmes		Current Risk Score	6
Gross Severity	3			Current Severity	3
Gross Likelihood	3			Current Likelihood	2
Gross Risk Review Date	16-Oct-2018			Last Risk Review Date	22-Jan-2021
Consequences	Inability to provide service to the required level Loss of service Lack of skilled resources				
Vulnerabilities/causes	Partnerships fail Inability to provide resources to partnership service arrangements Service arrangements provided by other partners cease Additional pressure to support vulnerable arising from the pandemic Financial pressures and loss of income from pandemic				
Risk Notes	**enter note here** Partnership Coordination group in place. Community safety plan in place. Work continuing with voluntary sector to continue partnership work with those most vulnerable as part of COVID recovery plans No Changes Partnership Co-ordination group established				


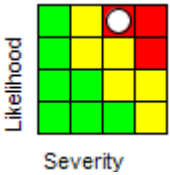
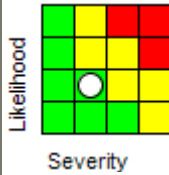
Risk Code	CPR2021 4	Risk Title	Governance	Current Risk Status	
Description of Risk	Ensure that processes, policies and procedures are in place and the authority is held to account		Assigned To		
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	 <p>Likelihood</p> <p>Severity</p>
Gross Risk Score				Current Risk Score	
Gross Severity				Current Severity	
Gross Likelihood				Current Likelihood	
Gross Risk Review Date				Last Risk Review Date	
Consequences					
Vulnerabilities/causes					
Risk Notes					


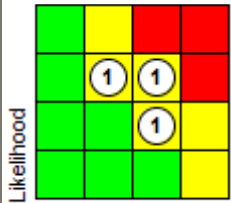
Risk Code	CPR2021 4.1	Risk Title	Democratic Process	Current Risk Status	
Description of Risk	Democratic Process			Assigned To	Andrew Barratt; Anica Goodwin; Rebecca Neill
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	9	Regular review and update of Constitution Scheme of Delegation Forward plan and key decisions Meetings open to the public Project plan implemented for move to remote Council and Committee meetings Training for Members Audit & Governance Committee including Standards Committee) Scrutiny Committees Increased access to services Increase use of technology Member Induction	Current Risk Score	6	
Gross Severity	3		Current Severity	3	
Gross Likelihood	3		Current Likelihood	2	
Next Risk Review Date	11-Jan-2020			Last Risk Review Date	13-Jan-2021
Consequences	Damage to reputation Legal challenge Damage to reputation Financial impact on poor decisions Increase of "call ins"				
Vulnerabilities/causes	Failure to match social and political expectations Failure to act on feedback Ultra vires decisions Lack of training/knowledge Lack of documented procedures Lack of commitment from officers and members Failure to understand key decisions, legal/governance requirements Inappropriate decision making Changes to political control Members resign from duties/as a member				
Risk Notes	Virtual meetings processes continue to be developed. a massive transformation process in terms of on-line access to all council meetings has now been put in place				


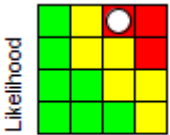
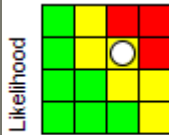
	This risk score has been reviewed following a prompt from the Audit & Governance Standards Committee as it appeared unnecessarily high. The score has also been reviewed in light of the change to council meetings following implementation of the new Regulations for remote meetings. As the project has been effectively implemented, there is no change required to the revised lower risk score.
	No Change

Risk Code	CPR2021 4.3	Risk Title	Legislation	Current Risk Status	
Description of Risk	Legislation			Assigned To	Rob Barnes; Andrew Barratt; Stefan Garner; Anica Goodwin
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	12	Constitution & Scheme of Delegation with regular review and update Shared Legal Service Obligations under various legislation Monitoring of government reforms and changes in statute CPD Training Horizon Scanning consultation updates Membership of Professional Bodies Proactive monitoring of potential legislative changes and consultations		Current Risk Score	4
Gross Severity	3			Current Severity	2
Gross Likelihood	4			Current Likelihood	2
Gross Risk Review Date	11-Jan-2020			Last Risk Review Date	13-Jan-2021
Consequences	Non-compliance with legal requirements Damage to reputation Prosecution, fines Legal challenge Ultra vires decisions				
Vulnerabilities/causes	Lack of training/knowledge Lack of documented procedures Lack of commitment from officers and members Non compliance with legislation Lack of resources Loss of key staff/members				
Risk Notes	No Change The risks have been reviewed by Andrew Barratt and he established that there are no changes to the Matrix required				


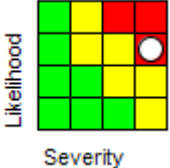
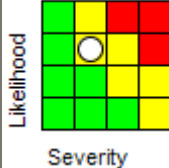
Risk Code	CPR2021 4.4	Risk Title	Policies & Procedures	Current Risk Status	
Description of Risk	Policies & Procedures			Assigned To	Corporate Management Team; Rebecca Neill
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	12	<p>Key policies are in place and subject to regular review and approvals. Astute is used for policy management and acceptance. AGS and managers assurance statements document key policies / procedures and an assessment on policy / procedural compliance. Risk assessed internal audit plan which provides assurance on policy controls. Shared legal arrangement which provides advice on legislative compliance. Training provided on key policies.</p>	Current Risk Score	6	
Gross Severity	3		Current Severity	3	
Gross Likelihood	4		Current Likelihood	2	
Gross Risk Review Date	05-Sep-2018		Last Risk Review Date	22-Jan-2021	
Consequences	<p>Fraud Poor performance</p>				
Vulnerabilities/causes	<p>Lack of training/knowledge Lack of documented procedures Lack of commitment from officers and members Lack of resources</p>				
Risk Notes					


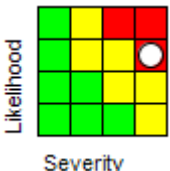
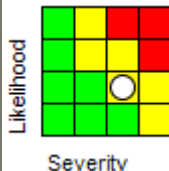
Risk Code	CPR2021 4.5	Risk Title	Ethics	Current Risk Status	
Description of Risk	Ethics			Assigned To	Andrew Barratt; Rebecca Neill
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	12	Monitoring Officer Declaration of interests, gifts & hospitality Codes of Conduct for members and officers Policies and procedures		Current Risk Score	4
Gross Severity	3			Current Severity	2
Gross Likelihood	4			Current Likelihood	2
Gross Risk Review Date	10-Oct-2018			Last Risk Review Date	25-Jan-2021
Consequences	Reputational damage				
Vulnerabilities/causes	Lack of training/knowledge Lack of documented procedures Lack of commitment from officers and members Lack of resources				
Risk Notes	No change				
	The risks have been reviewed by Andrew Barratt and he established that there are no changes to the Matrix required				

Risk Code	CPR2021 5	Risk Title	Community Focus	Current Risk Status	
Description of Risk	To ensure the safety, health and wellbeing of the citizens of the borough			Assigned To	
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	 <p>Likelihood</p> <p>Severity</p>
Gross Risk Score				Current Risk Score	
Gross Severity				Current Severity	
Gross Likelihood				Current Likelihood	
Gross Risk Review Date				Last Risk Review Date	
Consequences					
Vulnerabilities/causes					
Risk Notes					


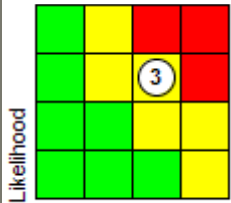
Risk Code	CPR2021 5.1	Risk Title	Community Cohesion & Engagement	Current Risk Status	
Description of Risk	Community Cohesion & Engagement			Assigned To	Rob Barnes; Tina Mustafa; Joanne Sands
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	12	Corporate project to be scoped 2020/21 Neighbourhood working and collaborative arrangements currently under review ASB policy Partnership working Financial inclusion policy Community engagement - locality Corporate consultation database Participatory budgeting Tamworth advice centre Dementia friendly status VCSE Commissioning Grants Review Review TCO		Current Risk Score	9
Gross Severity	3			Current Severity	3
Gross Likelihood	4			Current Likelihood	3
Page 52 Gross Risk Review Date	16-Oct-2018			Last Risk Review Date	21-Jan-2021
Consequences	Long term costs Not meeting/understanding users needs Increase in crime and disorder Poor use of funding Increased tensions in the community Failure to meet demand Fear of perception of crime				
Vulnerabilities/causes	Economic recession Poverty Welfare reforms Services withdrawn Communities become fragmented Links to Customer Engagement Strategy around building local resilience				
Risk Notes	Risk levels remain high, although mitigation includes Vulnerability and third sector support being a headline project in the Councils proposed Recovery and Reset Programme. base line assessment around vulnerability was completed August and key tasks will include reporting proposals around this to members as part of the project PID and associated tasks. Vulnerability base line assessment underway to inform actions supporting community cohesion as part of early work around COVID response.				


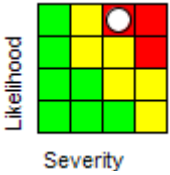
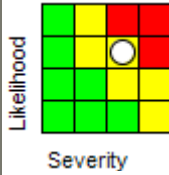
	Neighbourhood offer and corporate project 2020/21 with 2019/20 focussed on baseline data, warden offer, relocation of key partnership and neighbourhood teams. Targeted use of HRA neighbourhood investment fund.
	<i>No Change</i>
	The risks have been reviewed and there are no changes


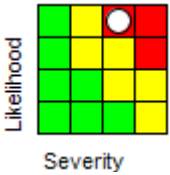
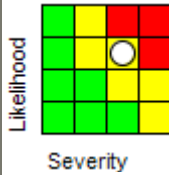
Risk Code	CPR2021 5.2	Risk Title	Safeguarding Children & Adults (including Modern Slavery)	Current Risk Status	
Description of Risk	Safeguarding Children & Adults at Risk of Abuse & Neglect m(including Modern Slavery)			Assigned To	Rob Barnes; Joanne Sands
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	12	Policy in place Training for staff and members Appropriate risk assessments completed Senior leadership commitment Safe recruitment process Supervision of staff, contractors and volunteers Partnership groups around vulnerability		Current Risk Score	6
Gross Severity	4			Current Severity	2
Gross Likelihood	3			Current Likelihood	3
Gross Risk Review Date	16-Oct-2018			Last Risk Review Date	22-Jan-2021
Consequences	Death, serious injury Legal challenge Loss of reputation Prosecution Increase in inspection Increase in demand				
Vulnerabilities/causes	Non-compliance with legislation Lack of appropriate policy and procedures Low awareness amongst staff and members Lack of joined up case management Case management systems unable to share data or support risk management Lack of appropriate services Gaps in service provision Impact of the Pandemic				
Risk Notes	Safeguarding champions identified and training requirements updated. Suicide policy introduced Community safety plan in place No change The risks have been reviewed and no changes identified				

Risk Code	CPR2021 5.3	Risk Title	Emergency Planning	Current Risk Status	
Description of Risk	Emergency Planning			Assigned To	Rob Barnes; Tina Mustafa
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	12	<p>Emergency Plan in place</p> <p>Emergency planning training completed at various levels</p> <p>Business Continuity Plans in place</p> <p>Comprehensive review of corporate business continuity with representation across all directorates. Policy, terms of reference and testing schedule</p> <p>Active engagement in Exercises</p> <p>Insurance cover in place to cover exposure to financial loss.</p> <p>Advice and guidance on Risk Management and Business Continuity on the intranet</p> <p>Emergencies advice available on website</p> <p>Building- fire prevention controls in place and tested on a regular basis</p> <p>Adequate physical security controls in place and reviewed on a regular basis.</p> <p>IT business continuity plan in place and tested on a regular basis</p> <p>Service impact analysis completed to rank priority of services</p> <p>Corporate business continuity plan in place</p> <p>All communication plans tested on a regular basis</p> <p>Emergency plan tested on a regular basis</p> <p>Business Continuity Group</p> <p>Membership of Staffordshire CCU & Resilience Forum</p> <p>Effective communication /ICT tools/ infrastructure eg mobile phones, laptops</p> <p>Representation at newly formed CCU Strategic Leaders Meeting</p> <p>Successful no notice test</p> <p>Learning from recent incidents - informing preparedness</p> <p>Comprehensive internal audit across BC and EP resulting in a number of agreed management actions</p> <p>Emergency Planning Admin all brought into ICT</p> <p>Actual ICT Disaster recovered from within appropriate timescales</p> <p>Attendance at SRF meetings</p>		Current Risk Score	6
Gross Severity	4			Current Severity	3
Gross Likelihood	3			Current Likelihood	2
Gross Risk Review Date	10-Oct-2018			Last Risk Review Date	19-Oct-2020
Consequences	<p>Services not delivered</p> <p>Damage to reputation</p> <p>Civil Contingency Act requirements not met</p> <p>Death</p> <p>Destruction of property</p>				


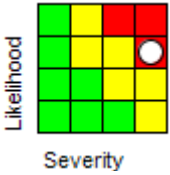
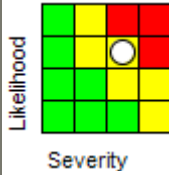
	<p>Damage to the environment Adverse affect on vulnerable groups Public expectations of service delivery not met Increased costs for alternative service delivery Interim arrangements from CCU until December 2020. Full audit 2020/21</p>
Vulnerabilities/causes	<p>Lack of integrated emergency arrangements 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 Plans not activated plans do not accurately identify the staffing/resources required Implications of industrial action from other service providers ie Fire Service</p>
Risk Notes	<p>Risk measure remains the same. Structured debrief with HoS' taking place to inform continual learning around emergency responses. health check also completed and due to be reported to be reported to CMT by CCU lead and TMM</p>
	<p>CCU providing dedicated support 2xdays per week (plus additional 20 days over 2020/21) to support review of Op Bridge plans and complete a self-assessment of all EMP policies and procedures to inform the development of an agreed improvement plan into 2021 and beyond.</p>
	<p>No Change</p> <p>The emergency plans are in place but are currently being reviewed by Alex from the CCU - TM. System updated by RB as TM experiencing access issues</p>


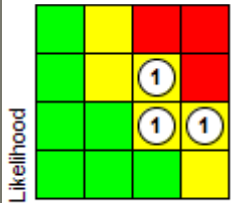
Risk Code	CPR2021 6	Risk Title	Economic Growth & Sustainability	Current Risk Status	
Description of Risk	To ensure that the economic growth and sustainability of the borough is maintained			Assigned To	
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	 <p>Likelihood</p> <p>Severity</p>
Gross Risk Score				Current Risk Score	
Gross Severity				Current Severity	
Gross Likelihood				Current Likelihood	
Gross Risk Review Date				Last Risk Review Date	
Consequences					
Vulnerabilities/causes					
Risk Notes					


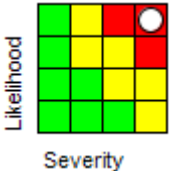
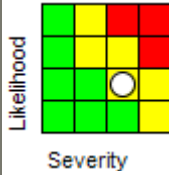
Risk Code	CPR2021 6.1	Risk Title	Lack of economic investment in people and Places	Current Risk Status	
Description of Risk	Lack of economic investment in people and Places			Assigned To	Andrew Barratt; Anna Miller
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	12	Long term investment Safe and secure estate Support to local businesses Tamworth and Lichfield for business Town centre and tourism development		Current Risk Score	9
Gross Severity	3			Current Severity	3
Gross Likelihood	4			Current Likelihood	3
Gross Risk Review Date	10-Oct-2018			Last Risk Review Date	08-Jan-2021
Consequences	Deprivation Loss of footfall to retail areas Reputational damage				
Vulnerabilities/causes	Lack of investment in the borough No investment in the town centre				
Risk Notes	No Change Continue to offer business grants and signposting to businesses. Investment in town centre site				


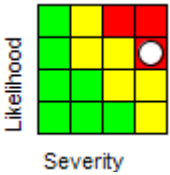
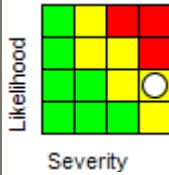
Risk Code	CPR2021 6.2	Risk Title	Housing Needs	Current Risk Status	
Description of Risk	Housing Needs			Assigned To	Rob Barnes; Tina Mustafa; Joanne Sands
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	12	Homelessness strategy under review. Evidence base being updated HRA Business lan updated and Investment plan agreed Third Sector support and early help development Investment and partnership to deliver new affordable homes New Allocations Policy Allocations Policy under review - developed project Plan Rough sleeping Assessment Housing Strategy commissioning		Current Risk Score	9
Gross Severity	3		Current Severity	3	
Gross Likelihood	4		Current Likelihood	3	
Gross Risk Review Date	10-Oct-2018		Last Risk Review Date	21-Jan-2021	
Consequences	Impact of housing need and homelessness on households Additional demand for Council services Additional demand on 3rd Sector Statutory agencies Overcrowding and wellbeing impact of poor housing				
Vulnerabilities/causes	Lack of accessible homes Lack of affordable homes Poor conditions in the Private Sector Increased homelessness				
Risk Notes	Housing strategy agreed at Cabinet for 2020-25 and plan to be implemented Risk measurement updated to reflect evidence base, Homelessness Strategy now drafted and set for cabinet approval on 031220. Range of covid related measures in place to support and manage homelessness and range of housing options. Rough sleeping estimate due 041120 As a result of comprehensive and robust management the challenges around homelessness and rough sleeping continue to be abated. Whilst the impact of homelessness is significant the mitigations and controls minimise the risks. Tamworth has participated on MHCLG task force leading on the development of legislation as well as participates in regular HAST updates to ensure sharing of best practice and continued innovation. HQN are supporting on the development of an updated evidence base to inform the development of homelessness and rough sleeping strategy 2020-2025. The evidence base will inform the strategy along with detailed spending and delivery plans. It is expected this will be considered by Scrutiny committee(s) in the Autumn with Cabinet approval by Dec 2020. Assistant Director - Neighbourhoods on MHCLG working group of Government review HRA 2017. Key corporate projects - Housing Strategy, Homelessness & Allocations review 2019/20. HQN engaged to update evidence base, principles for consultation and plans to adopt revised strategies 2020/21. No changes required				


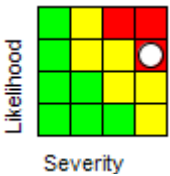
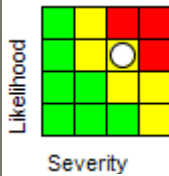
Reviewed by TM adequate controls still in place. system updated by RB as TM experiencing access issues

Risk Code	CPR2021 6.3	Risk Title	Economic Changes	Current Risk Status	
Description of Risk	Economic Changes			Assigned To	Andrew Barratt; Anna Miller
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	12	Support to local businesses Business and economic partnership Business growth programme Growth hub Start up business grants for small business Tamworth enterprise centre		Current Risk Score	9
Gross Severity	4		Current Severity	3	
Gross Likelihood	3		Current Likelihood	3	
Gross Risk Review Date	10-Oct-2018		Last Risk Review Date	25-Jan-2021	
Consequences	No external funding to aid economy and growth Economic prosperity declines Increased demand for social housing Increased costs to council services due to increased demand				
Vulnerabilities/causes	Failure to recognise economic changes Sudden economic downturn affecting businesses Loss of major employer in the region Failure to recognise opportunities Rapid increase in inflation Changes in government funding/grants Collapse/decline of property market Possible downturn in the economy due to the recovery period following COVID-19 pandemic Possible negative or positive impact if the changes following BREXIT				
Risk Notes	No Change mindful of Brexit consequences in short and long term. working with partners to promote awareness and consider impacts. offer business grants and signposting to other agencies for support				

Risk Code	CPR2021 7	Risk Title	Information Safeguarding	Current Risk Status	
Description of Risk	To ensure that our data is protected			Assigned To	
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	 <p>Likelihood</p> <p>Severity</p>
Gross Risk Score				Current Risk Score	
Gross Severity				Current Severity	
Gross Likelihood				Current Likelihood	
Gross Risk Review Date				Last Risk Review Date	
Consequences					
Vulnerabilities/causes					
Risk Notes					


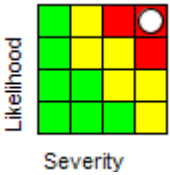
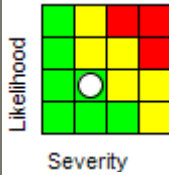
Risk Code	CPR2021 7.1	Risk Title	Data Protection and information Safeguarding	Current Risk Status	
Description of Risk	Data Protection			Assigned To	Anica Goodwin; Zoe Wolicki
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	16	GDPR training Secure password protocol IT physical controls Encryption protocols secure wifi ICO protocol Penetration testing GDPR implemented & ongoing quarterly review & action plan in place Data Protection Officer in place & appropriate backup arrangements Senior management support Comprehensive training plan for staff and members Privacy impact assessments completed for new Projects/implementation/solutions Data sharing protocols PSN compliance Review Access to Systems Building access and security procedures Training review and management of assets	Current Risk Score	6	
Gross Severity	4		Current Severity	3	
Gross Likelihood	4		Current Likelihood	2	
Gross Risk Review Date	05-Sep-2018			Last Risk Review Date	13-Jan-2021
Consequences	Reputational damage Fine				
Vulnerabilities/causes	Human error Virus/hacking				
Risk Notes	most data breaches are as a result of human error and are minor in nature it has not been necessary for TBC to report any occurrences to the ICO due to this. The likelihood has been reduced due to this.				


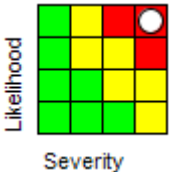
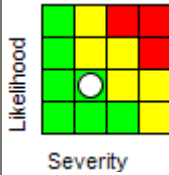
Risk Code	CPR2021 7.2	Risk Title	Cyber Security	Current Risk Status	
Description of Risk	Cyber Security			Assigned To	Anica Goodwin; Zoe Wolicki
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	12	GDPR compliance and training GCSX PSN compliance Physical security Business continuity plans Penetration testing Firewalls Anti virus software Up to date patching of servers & desktops		Current Risk Score	8
Gross Severity	4			Current Severity	4
Gross Likelihood	3			Current Likelihood	2
Gross Risk Review Date	05-Sep-2018			Last Risk Review Date	13-Jan-2021
Consequences	Fine Reputational damage Potential imprisonment Loss of data Inability to deliver service				
Vulnerabilities/causes	Insecure IT equipment Human error Loss of equipment/data Theft Equipment failure Hacking/viruses				
Risk Notes					

Risk Code	CPR2021 7.3	Risk Title	Business Continuity	Current Risk Status	
Description of Risk	Business Continuity			Assigned To	Rob Barnes; Paul Weston
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	
Gross Risk Score	12	Emergency plan in place Business continuity plans in place Insurance cover Advice and guidance on risk management and business continuity Fire prevention controls Physical building controls on place Communication plan Business continuity group Membership of Staffordshire CCU & resilience forum Learning from previous incidents - informing level of preparedness Support from CCU Link Officer Off site plans Multi agency exercises		Current Risk Score	9
Gross Severity	4			Current Severity	3
Gross Likelihood	3			Current Likelihood	3
Gross Risk Review Date	10-Oct-2018			Last Risk Review Date	18-Jan-2021
Consequences	Services not delivered Damage to reputation Civil contingency act obligations not met Death Destruction of property Damage to the environment Adverse affect on vulnerable groups Public expectations of service delivery not met Increased costs for alternative service delivery				
Vulnerabilities/causes	Lack of integrated emergency arrangement making it difficult to react Failure to test plans Failure to undertake training Plans not activated Plans do not accurately identify the staffing/resources required Implications of industrial action from other service providers eg fire service Lack of staff engagement in BC Group Pandemic such as COVID-19				

Risk Notes	<p>Although areas have BC plans in place and the response to COVID19 has shown that the organisation can cope with unplanned events more work is still needed to get consistency across all business areas.</p> <p>A self-audit plan has been completed with a programme of works identified to deliver a greater degree of compliance.</p> <p>All areas have been asked to review BC plans in light of increased risk of concurrent events.</p>
	<p>Although areas have BC plans in place and the response to COVID19 has shown that the organisation can cope with unplanned events more work is still needed to get consistency across all business areas.</p>
	<p>New business continuity group established. Terms of reference being updated. Key business continuity plans under review. Programme for business continuity reviews under way.</p>
	<p>No change from previous assessment. Programme of BC reviews to be implemented and will focus on priority areas.</p>
	<p>No changes as per PW</p>

Risk Code	CPR2021 8	Risk Title	Brexit	Current Risk Status	
Description of Risk	The Impact of Brexit upon the Council			Assigned To	Andrew Barratt; Stefan Garner
Gross Risk Matrix		Risk Treatment Measures Implemented		Current Risk Matrix	 <p>Likelihood</p> <p>Severity</p>
Gross Risk Score	16			Current Risk Score	
Gross Severity	4			Current Severity	
Gross Likelihood	4			Current Likelihood	
Gross Risk Review Date	28-Mar-2019			Last Risk Review Date	
Consequences	Downturn in Local and National economic activity Upturn in Local and National economic activity				
Vulnerabilities/causes	Lack of Trade agreements Increased business activity due to freedom to negotiate international trade agreements specific to UK				
Risk Notes					

Risk Code	CPR2021 8.1	Risk Title	Financial	Current Risk Status	
Description of Risk				Assigned To	Andrew Barratt; Stefan Garner
Gross Risk Matrix		Risk Treatment Measures Implemented			
Gross Risk Score	16	Implications reassessed as part of the budget setting process and quarterly MTFS updates	Current Risk Matrix		
Gross Severity	4		Current Risk Score	4	
Gross Likelihood	4		Current Severity	2	
Gross Risk Review Date	15-Mar-2019		Current Likelihood	2	
			Last Risk Review Date	18-Jan-2021	
Consequences	<p>Reduced level of economic growth and further austerity/prosperity/downturn in the economy Changes to central government policy EU grants cease Reduced base interest rate NNDR / Council Tax targets not achieved with increased bankruptcy / Liquidations Government has awarded £51k for EU exit preparations Contract failure due to Brexit impact on core suppliers</p>				
Vulnerabilities/causes	<p>Uncertainty over the impact of Brexit has increased the financial uncertainty for the UK - reduced levels of economic growth, changes to central government policy, EU grants ceased, reduced interest, employment uncertainty</p>				
Risk Notes	<p>As agreements relating to Brexit were in place before the date for 'No Deal' many of the potential impacts have eased. Some areas may still be affected by the supply chain and businesses operating in Tamworth may be affected.</p> <p>The UK left the EU on the 31/01/2020 and are now in a transitional period until the 31/12/20 during this period we will be able to more accurately assess the implications if any for our area.</p> <p>The current risk is recorded at the maximum risk level as the impact and options to mitigate are currently unknown</p>				

Risk Code	CPR2021 8.2	Risk Title	The Impact of Brexit upon the Council	Current Risk Status	
Description of Risk				Assigned To	Andrew Barratt; Stefan Garner; Paul Weston
Gross Risk Matrix		Risk Treatment Measures Implemented			
Gross Risk Score	16	<p>Monitoring of the political process</p> <p>Central log/register issue that may impact as they develop Take opportunity to realise any additional funding made available to mitigate negative impacts</p> <p>Involvement and updates to Local and Regional Resilience forums.</p> <p>Risk assessments in place.</p> <p>Engagement with regional local forums.</p> <p>Regular reporting to central government.</p> <p>Dissemination of all information to CMT.</p> <p>Regular communication updates to business and residents.</p> <p>Uncertainty still noted by no reduction in risk.</p> <p>Information from MHCLG shared regularly with appropriate officers.</p> <p>Legislative impact done for housing related policies i.e, Settlement scheme for housing associations.</p> <p>Use of growth hub advisors to communicate with businesses.</p> <p>Use of website to pass on key messages.</p>	Current Risk Matrix		
Gross Severity	4		Current Risk Score	4	
Gross Likelihood	4		Current Severity	2	
Current Likelihood			Current Likelihood	2	
Next Risk Review Date	08-Jul-2019	Last Risk Review Date	18-Jan-2021		
Consequences	<p>Potential tightening of the Labour market</p> <p>Delay in works due to supply delays</p> <p>Restricted economic growth of the Local Area as the new trading arrangements settle in and business confidence is re-established.</p>				
Vulnerabilities/causes					
Risk Notes	<p>As agreements relating to Brexit were in place before the date for 'No Deal' many of the potential impacts have eased.</p> <p>There are ongoing reviews through SRF and services have been reviewed for compliance against new standards.</p> <p>Some areas may still be affected by the supply chain and businesses operating in Tamworth may be affected.</p> <p>Staffs LRF have started up the SCG & TCG to consider implications of Brexit in light of the fact that a 'No Deal' event is now highly likely.</p> <p>The UK left the EU on the 31/01/2020 and are now in a transitional period until the 31/12/20 during this period we will be able to more accurately assess the implications if any for our area.</p> <p>The current risk is recorded at the maximum risk level as the impact and options to mitigate are currently unknown</p>				

THURSDAY, 11 FEBRUARY 2020

REPORT OF ASSISTANT DIRECTOR PARTNERSHIPS

MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT 2019/20

EXEMPT INFORMATION

None

PURPOSE

To endorse the Council's Modern Slavery and Human Trafficking Statement 2019/20

RECOMMENDATIONS

It is recommended that:

1. The Committee endorse the Modern Slavery and Human Trafficking Statement 2019/20 for approval by Cabinet
2. Approve an agenda item to be included in the Audit and Governance plan annually for update to the Statement each July (or the latest meeting in Quarter 2).

EXECUTIVE SUMMARY

Section 54 of the Modern Slavery Act 2015 imposes a legal duty on organisations, which supply goods and/or services from or to the UK and have a global turnover above £36 million, to publish a slavery and human trafficking statement covering each financial year.

The statement is due for publication by 30 September each year immediately following the end of the preceding financial year. The publication of the 2019/20 statement has been delayed due to the current pandemic, however it is proposed that the Committee note inclusion of the statement annually in subsequent July meetings to ensure timely publication.

Tamworth Borough Council adopts a zero-tolerance position on known violations of anti-human trafficking and anti-modern slavery laws and is included in Safeguarding policies and duties. We are committed to improving our practices and ensuring there is no modern slavery or human trafficking in any part of our business and in so far as is possible requiring our suppliers to hold similar ethos.

The Modern Slavery and Human Trafficking Statement (attached as Appendix 1) sets out the continuing Council's actions to understand potential modern slavery risks related to its business and ongoing actions to ensure that there is no slavery or human trafficking in its own business, and its supply chains and relates to actions and activities during the financial year 1 April 2019 to 31 March 2020 and (once approved) will be published on the Tamworth Borough Council website.

RESOURCE IMPLICATIONS

Support of the Modern Slavery Act 2015 obligations is met from existing budget and staff resources through the Partnerships team

LEGAL/RISK IMPLICATIONS BACKGROUND

The publication of an annual Modern Slavery and Human Trafficking Statement is a requirement of the Modern Slavery Act 2015

SUSTAINABILITY IMPLICATIONS

The legislation requires the Council to meet all obligations outlined

BACKGROUND INFORMATION

Modern slavery is an international crime, affecting an estimated 29.8 million slaves around the world. It is a growing global issue that transcends age, gender and ethnicities. It includes victims who have been brought from overseas and vulnerable people in the UK, who are forced to illegally work against their will across many different sectors such as agriculture, hospitality, construction, retail and manufacturing.

The Modern Slavery Act 2015 consolidates various offences relating to human trafficking and slavery. In broad terms:

- 'slavery' is where ownership is exercised over a person
- 'servitude' involves coercion to oblige a person to provide services
- 'forced and compulsory labour' is where a person works or provides services on a non-voluntary basis under the threat of a penalty
- 'human trafficking' involves arranging or facilitating the travel of a person with a view to exploiting them

Section 52 of the Act imposes a duty on public authorities, including district councils, to notify the Secretary of State of suspected victims of slavery or human trafficking.

Section 54 of the Act imposes a legal duty on organisations, which supply goods and/or services from or to the UK and have a global turnover above £36 million, to publish a slavery and human trafficking statement each financial year.

The Council engages in commercial activity (statutory and discretionary) and provides a range of services to residents, businesses and visitors. This includes waste collection and recycling, collection of council tax and business rates, housing, homeless support, parks and open spaces, planning and building control, street cleaning, promoting economic growth and regeneration, environmental health, leisure services, community safety and election administration. Services are delivered through a mixture of direct provision, commissioned services, contracted services, joint/shared services and partnerships. Its annual turnover is greater than £36 million.

REPORT AUTHOR

Jo Sands, Assistant Director Partnerships

LIST OF BACKGROUND PAPERS

Modern Slavery Act 2015

APPENDICES

Appendix 1 – Tamworth Borough Council Modern Slavery and Human Trafficking Statement 2019/20

Tamworth Borough Council Modern Slavery and Human Trafficking Statement

Introduction

Modern slavery is an international crime, affecting an estimated 29.8 million slaves around the world. It is a growing global issue that transcends age, gender and ethnicities. It includes victims who have been brought from overseas and vulnerable people in the UK, who are forced to illegally work against their will across many different sectors such as agriculture, hospitality, construction, retail and manufacturing.

Tamworth Borough Council adopts a zero-tolerance position on known violations of anti-human trafficking and anti-modern slavery laws. We are committed to improving our practices and ensuring there is no modern slavery or human trafficking in any part of our business and in so far as is possible requiring our suppliers to hold similar ethos.

This Modern Slavery and Human Trafficking Statement sets out the Council's actions to understand potential modern slavery risks related to its business and put in place steps that are aimed at ensuring that there is no slavery or human tracking in its own business, and its supply chains.

This Modern Anti-Slavery and Human Trafficking Statement relates to actions and activities during the financial year 1 April 2019 to 31 March 2020.

The statement set out plans for improvement in the next year

The Modern Slavery Act 2015

The Modern Slavery Act 2015 consolidates various offences relating to human trafficking and slavery. In broad terms:

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Section 54 of the Act imposes a legal duty on organisations, which supply goods and/or services from or to the UK and have a global turnover above £36 million, to publish a slavery and human trafficking statement each financial year.

The Council engages in commercial activity (statutory and discretionary) and provides a range of services to residents, businesses and visitors. This includes waste collection and recycling, collection of council tax and business rates, housing, homeless support, parks and open spaces, planning and building control, street cleaning, promoting economic growth and

regeneration, environmental health, leisure services, community safety and election administration. Services are delivered through a mixture of direct provision, commissioned services, contracted services, joint/shared services and partnerships. Its annual turnover is greater than £36million.

Standards

Tamworth Borough Council will meet the following standards and also expects those with whom it does business with, to meet these standards:

- To support every individual's human right to live free from abuse, servitude and inhumane treatment
- To promote ethical business and operational practices in corporate activity and the services delivered
- To take appropriate steps to ensure that slavery and human trafficking is not taking part in any of its business or supply chains
- To take reports of witnessed, suspected or disclosed concerns of slavery and human trafficking seriously
- To take appropriate steps with relevant partner agencies to address actual instances of slavery and human trafficking

Policies and Procedures

Tamworth Borough Council has a range of policies and plans in place which reflect its commitment to acting ethically and with integrity to prevent slavery and human trafficking in its operations:

- Vision and Council Plan - The Council's vision is 'To put Tamworth, its people and the local economy at the heart of everything we do'" and our Council Plan includes a key priority to help tackle the causes of inequality and increase opportunities for all residents and businesses
- Safeguarding Children and Adults at Risk Policy – outlines a robust approach taken by the Council to safeguard the welfare of children and 'adults at risk'.

All staff and councillors are required to read and work within this policy. The Council works within multi-agency partnerships to protect and safeguard people and has an identified lead officer for modern slavery

The policy covers how the Council should comply with the duty to notify the Secretary of State of suspected victims of slavery and human trafficking.

- Whistleblowing Policy – encourages all its employees to report concerns about any aspect of service provision, conduct of officers and others acting on behalf of the Council, or the supply chain. The policy is designed to make it easy to make disclosures without fear of discrimination and victimisation.
- Employee and Members Code of Conduct – is the ethical framework that employees and Members work to, which makes clear the actions

and behaviour expected of them when representing the Council. The Council strives to maintain the highest standards of employee conduct and ethical behaviour and breaches are investigated.

- Recruitment Policy – sets out robust processes in line with UK employment laws, including ‘right to work’ document checks and contracts of employment.. To comply with the Asylum, Immigration and Nationality Act 2006, all prospective employees are asked to supply evidence of their eligibility to work in the UK. References are also requested and followed up.
- Job Evaluation Scheme - ensures that all employees are paid fairly and equitably. When the Council uses employment agencies to source labour it verifies the practice of any new agency it is using before accepting workers from that agency.
- Equality and Diversity Scheme ‘Making Equality Real In Tamworth’ - sets out the how the Council will promote diversity and equality in the delivery of services provided both directly and in conjunction with our partners.

Supply Chains

In the procurement process, Tamworth Borough Council continues to expect all suppliers of goods and services to comply with all applicable laws, statutes, regulations [and codes] from time to time in force [including [but not limited to] the Modern Slavery Act 2015, their own anti-slavery policy (where applicable) and this Modern Anti-Slavery and Human Trafficking Statement.

The Council recognises that the organisation is exposed to greater risk when dealing with contractors and service suppliers. The Council has a wide range of suppliers delivering services across all directorates. The Council aims to reduce the risk of modern slavery in its supply chain by undertaking the following actions:

- Where appropriate key contractors are required to have safeguarding policies, procedures and training in place, in addition to providing confirmation of compliance with the Modern Slavery Act;
- Identify services that are more vulnerable to modern slavery and seeking assurance that their supply chain is free of modern slavery and human trafficking;
- Where appropriate, our Invitation To Quote (ITQ) and Invitation To Tender (ITT) documents ask if the contractor is a relevant commercial organisation as defined by section 54 ("Transparency in supply chains etc.") of the Modern Slavery Act 2015 ("the Act").
- Relevant contractors are then asked if they are compliant with the annual reporting requirements contained within Section 54 of the Act. If they are compliant then the contractor is required to provide the relevant URL address and if they aren't, then the company is recorded as failing is removed from the procurement process.

Training and awareness

Tamworth Borough Council has a programme of safeguarding training for all employees and elected members

Information on Modern Slavery is incorporated into the Council's safeguarding policy and is available to all staff.

A bespoke eLearning Modern slavery and human trafficking package is now available for all staff and members enabling them to identify and know how to report suspected or disclosed incidents.

Appointed a Member Safeguarding Champion who will be given relevant training in all areas of safeguarding.

At present any concerns can be reported to the Designated Safeguarding Officer.

How to Report Modern Slavery

If you suspect someone may be at risk of Modern Slavery telephone 101 to report it to Staffordshire Police, or if someone is in immediate danger always call 999.

Crimes can be anonymously reported via Crimestoppers on 0800 555 111 or via modernslavery.co.uk's hotline on 0800 0121 700

Partnership working

Tamworth Borough Council has a strong track record of working in partnership with other agencies to respond to safeguarding, slavery and trafficking issues. This includes supporting the Staffordshire County Council, the Staffordshire Commissioners Office for Police, Fire and Crime and Staffordshire Police through the Tamworth Community Safety Partnership.

The Council works with colleagues to develop a common understanding and partnership approach to the threats, vulnerabilities and risks relating to slavery and human trafficking.

We also work with a range of agencies to safeguard children and adults at risk. This includes supporting the work of the local safeguarding boards and district Councils safeguarding network. The Council wants its employees to understand more about this growing issue and how to report any suspicions they may have, whether in a work or personal context.

Relevant staff now attend Staffordshire Police Modern Slavery and Human Trafficking Tactical group to share relevant information.

Risks have been identified with partners in premises subject to licensing regulations and all partners have taken a collaborative role to report concerns, investigate and take appropriate enforcement actions.

Going Forward

The Council will strengthen its approach to tackling modern slavery by:

- Seeking reassurance via current training packages that staff remain up to date and have undergone relevant training
- Identify and train safeguarding champions in each Council service
- Ensure relevant information is available on our website for the public
- Undertake relevant risk assessments as necessary with suppliers to ensure their understanding and compliance with the Modern Slavery Act

This Modern and Anti-Slavery and Human Trafficking Statement has been approved by Council's Corporate Management Team and endorsed by the Audit & Governance Committee and Cabinet. It will be reviewed and updated as necessary on an annual basis for monitoring and assurance purposes.



Andrew Barratt
Chief Executive
January 2021

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AUDIT & GOVERNANCE COMMITTEE

11 FEBRUARY 2021

REPORT OF THE HEAD OF AUDIT AND GOVERNANCE & MONITORING OFFICER

INTERNAL AUDIT PROGRESS UPDATE REPORT 2020/21 (QUARTER 3)

EXEMPT INFORMATION

None.

PURPOSE

To provide Audit & Governance Committee with internal audit's progress report for the period to 31 December 2020 (Quarter 3).

RECOMMENDATIONS

1. That the Committee notes the attached report.

EXECUTIVE SUMMARY

The Accounts and Audit Regulations require councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account Public Sector Internal Auditing Standards or guidance.

Internal Audit's progress report for Quarter 3 is detailed at **Appendix 1** for members to consider.

RESOURCE IMPLICATIONS

None.

LEGAL/RISK IMPLICATIONS BACKGROUND

Failure to report would lead to non-compliance with the requirements of the Accounts and Audit Regulations and Public Sector Internal Audit Standards.

SUSTAINABILITY IMPLICATIONS

None.

BACKGROUND INFORMATION

None.

REPORT AUTHOR

Rebecca Neill, Head of Audit and Governance & Monitoring Officer

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Ext: 234

LIST OF BACKGROUND PAPERS

APPENDICES

Appendix 1 Internal Audit Progress Report (Quarter 3) 2020/21

Internal Audit Progress Report (Quarter 3)
December 2020



Contents

- 01 Introduction
- 02 Internal Audit Work Undertaken
- 03 Opinion
- 04 Follow Up
- 05 Performance of Internal Audit

Appendices

- 01 Summary of Internal Audit Work Undertaken
- 02 Assurance and Recommendation Classifications

In the event of any questions arising from this report please contact Rebecca Neill, Head of Audit & Governance and Monitoring Officer
Rebecca-neill@tamworth.gov.uk

The matters raised in this report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. This report was produced solely for the use and benefit of Tamworth Borough Council. The Council accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification.

01 INTRODUCTION

BACKGROUND

This report summarises internal audit activity and performance for the period to 31 December 2020.

SCOPE AND PURPOSE OF INTERNAL AUDIT

The Accounts and Audit Regulations require councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account Public Sector Internal Auditing Standards or guidance.

This progress report and opinion forms part of the framework of assurances that is received by the Council and is used to help inform the annual governance statement. Internal audit also has an independent and objective consultancy role to help managers improve risk management, governance and control.

Internal Audit's professional responsibilities as auditors are set out within Public Sector Internal Audit Standards (PSIAS) produced by the Internal Audit Standards Advisory Board.

ACKNOWLEDGEMENTS

Internal audit is grateful to the directors, heads of service, service managers and other staff throughout the council for their help during the period.

02 INTERNAL AUDIT WORK UNDERTAKEN

The internal audit plan for 2020/21 was approved by the Audit & Governance Committee at its meeting in July 2020. The plan was for a total of 16 audits. Two audits (castle and assembly) have been postponed to the 2021/22 plan this quarter, due to the Pandemic.

Much of quarter one and two work was centred on completing annual reports, compliance statements (including the Annual

Governance Statement) and supporting counter fraud checks on Coronavirus business grants. Planned audit work was temporarily suspended to allow functions to concentrate on business critical service delivery due to Covid-19, and while audits have recommenced, as we have entered subsequent waves and national lockdowns, this of course has had an impact in terms of some service areas' ability to respond to audits, due to their changing priorities as a result of the pandemic. Performance against internal audit's KPI's is at section 05 but clearly the above has had an effect.

The audit findings of each review, together with recommendations for action and the management response are set out in our detailed reports. A summary of the reports we have issued this year is included at **Appendix 01**.

03 OPINION

SCOPE OF THE OPINION

In giving an opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide to the Council is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes.

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

In arriving at an opinion, the following matters have been taken into account:

- The outcomes of all audit activity undertaken during the period.
- The effects of any material changes in the organisation's objectives or activities.

- Whether or not any limitations have been placed on the scope of internal audit.
- Whether there have been any resource constraints imposed upon us which may have impinged on our ability to meet the full internal audit needs of the organisation.
- What proportion of the organisation’s internal audit needs have been covered to date.

INTERNAL AUDIT OPINION

On the basis of audit work completed, the Head of Audit & Governance’s opinion on the council’s framework of governance, risk management and internal control is substantial in its overall design and effectiveness. Certain weaknesses and exceptions were highlighted by audit work. These matters have been discussed with management, to whom recommendations have been made. All of these have been, or are in the process of being addressed.

Specific Issues

No specific issues have been highlighted through the work undertaken by internal audit during the period.

Fraud & Irregularity

No matters of fraud or irregularity have been reported during the period.

Consultancy & Advice

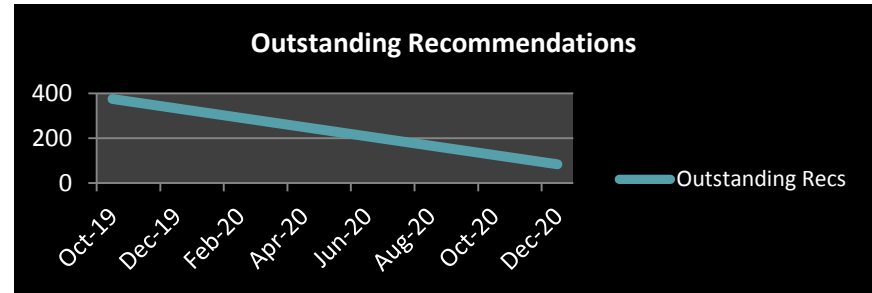
The audit team may be requested by managers to undertake consultancy and advice on governance, risk management and

internal control matters from time to time. No specific pieces of work were commissioned during the period.

04 Follow Up

The Committee approved an approach to audit follow up earlier this year (all high priority actions and those arising from no and limited overall assurance reports will be followed up by audit, managers confirmation applies to the rest). Implementation of the new system was initially delayed to allow functions to concentrate on business critical service delivery due to Covid-19, but was re-commenced in Quarter two.

Most of the follow up work has been directed at closing off outstanding / legacy actions from previous years’ audits. The total outstanding actions at the end of quarter three are 84 (30 high, 40 medium, 14 low).



Due to the number of closed high priority recommendations, the backlog has been 10% random sample tested. All (7) recommendations sampled were found to be correctly closed out. Going forward, all highs will now be verified.

Of those audits receiving a no or limited assurance opinion which require follow up, a summary of progress to date is given at Appendix 01.

05 PERFORMANCE OF INTERNAL AUDIT

Compliance with professional standards

We employ a risk-based approach in planning and conducting our audit assignments. Internal audit work has been performed in accordance with PSIAS.

Conflicts of interest

There have been no instances during the year which have impacted on internal audit's independence that have led to any declarations of interest.

Performance of Internal Audit

Internal audit quality assurance

To ensure the quality of the work internal audit performs, there is a programme of quality measures which includes:

- Supervision of staff conducting audit work.
- Review of files of working papers and reports by managers.
- Regular meetings of our networking groups, which issue technical and sector updates.

Performance Measures

Internal audit's main performance measures and the quarter's outturn are as follows:



To achieve at least 90% of the plan by the end of the financial year – 21% completed (3 out of 14) and 43% (6 out of 14) in progress. See section 2 for commentary.





Draft reports issued within 15 working days of completion of fieldwork – 100%.





Percentage of recommendations accepted by management - 100%.

Appendix 01: Summary of Internal Audit Work Undertaken

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
Core Financial Systems	Main accounting	Risk based review covering the adequacy and effectiveness of controls around main accounting, including access control, journals, virements, control account reconciliations etc. All core financial system audits will include a review of controls which may have been relaxed / adapted as a result of the requirement for remote working as a result of Covid-19.	Q4	In progress.	
	Budgetary Control	Risk based review covering the adequacy and effectiveness of controls around budget planning; monitoring and control (including variances, profiling), reporting – and testing a sample of departments.	Q3	<p>The budgetary control system is designed with controls in place to mitigate the major risks. There is clear budget planning process with a timetable of tasks, delegation and timescales. Input to the budget setting process 2020/21 was provided by budget holders, Finance, Corporate Management Team (CMT), Members and external stakeholders. The budget was reviewed at Cabinet and Joint Scrutiny (budgets) and culminated in the approval of the budget by Council in February 2020, a requirement of the Council's Constitution.</p> <p>Controls were found to be operating effectively. There was clear evidence of budget monitoring and variances highlighted at budget holder level each month and through performance monitoring reported quarterly to CMT and Cabinet.</p> <p>As part of the audit, feedback was requested from a sample of budget holders, who confirmed their input to the budget setting and monitoring process with sufficient support from finance to enable them to monitor their budgets effectively.</p> <p>Budget holders were also aware of their responsibilities and accountabilities for their budget. Budget holders did not raise any comments or suggestions for improvement of the budget setting/ monitoring process.</p>	 <p>Substantial Assurance</p> <p>Number of Actions H-0 M-0 L-2</p>

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
				<p>Changes to the budget were found to be identified directly from budget holders, accountancy or through performance monitoring. Virements were also found to be processed in accordance with delegations specified in Financial Guidance.</p> <p>Some minor areas for improvement was noted during the audit, namely ensuring a business case is evident for all approved policy changes and that all new budget holders receive appropriate financial training to enable them to effectively discharge their budget responsibilities. Implementation of the recommendations in the action plan will enhance arrangements</p>	
	Treasury Management	Risk based review of treasury management including strategy, investments and loans	Q3	<p>The Treasury Management system is designed well with adequate controls in place to mitigate against risks. Good practice was noted in that an approved Treasury Management Strategy Statement, Policy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy are in place which meet the requirements of the CIPFA Code of Practice on Treasury Management and the Prudential Code. Investment performance was found to be routinely monitored and regularly reported to CMT, Cabinet, Council and Audit Committee and of a sample of 10 investments / 10 repayments examined as part of the audit, all were found to be compliant with the strategy and practices, with adequate segregation of duties and accurate records in place.</p> <p>Two minor areas for improvement were noted. The first in relation to KPI's - two (max invested for more than 364 days and average external investment interest rate achieved) were recorded on Pentana as not currently being met, however, the system had not been updated since May 2020. It is recommended that Pentana is updated and any corrective action taken as necessary. The second is in relation to maintaining evidencing of approval of investment decisions. Before the team moved to remote working, investment decisions were noted on a document prepared by the Accountancy Assistant and</p>	 <p>Substantial Assurance</p> <p>H-0 M-0 L-2</p>

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
				physically counter signed by two of the authorised approvers. This document is now completed electronically without signature. While the risk of unauthorised transactions is minimal, as payments on the online banking system have to be appropriately approved, supporting evidence of the decisions made would complete the audit trail. It is suggested that this is via retained emails or notes are made and electronically approved of the monthly meetings where upcoming investments and the redemption of funds is planned.	
	Debtors	Standard risk based review of debtors, including invoice requisitioning, invoicing, debt recovery and monitoring, aged debtor analysis, bad and doubtful debts.	Q3	In progress.	
	Housing & Council Tax Benefits	Standard CIPFA risk based review of housing and council tax benefits.	Q3	<p>The benefits system is designed with controls in place to mitigate the major risks. Claims are verified and processed promptly and accurately. There are business continuity plans in place and IT systems are supported and up to date. Checks are in place to identify errors prior to transmitting payment runs, and management checks are completed on a sample of claims to confirm accuracy of assessment. A suite of performance indicators is in place to monitor the service. Suspected CTR fraud is investigated by the corporate fraud officer. All of these controls were found to be operating effectively to mitigate against key risks.</p> <p>Some control weaknesses were found largely due to the service addressing other priorities arising as a result of the pandemic. These were delays in the completion of some reconciliations, and no documented programme was in place for checks of claims, although all high risk claims are prioritised and checked as a matter of course. Implementation of the recommendations in the action plan will enhance arrangements.</p>	 <p>Substantial H-0 M-1 L-1</p>
Strategic & Operational Risks	Covid-19 Risks	'Flash' audits of dynamic risks arising from the Council's Covid-19 response. To include continuity and recovery arrangements, business grants, new	Q2-Q4	<p><u>Staff Wellbeing</u> Control measures to mitigate against the risk of staff wellbeing being adversely impacted by the Covid-19 crisis were found to be adequate and effective.</p>	 <p>Substantial</p>

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
		funding, staff well being, governance, financial, productivity. This audit will compliment other strategic and operational risk and ICT audits on the plan which will be looked at with a 'Covid-19 risk lens'.		<p>A number of good practice areas were noted:</p> <ul style="list-style-type: none"> • A human resources plan in response to staffing matters associated with the Covid-19 outbreak was quickly established (consulted on with unions and approved by CMT), including counselling services available to provide staff with support and advice. • Regular weekly all staff communications have been maintained throughout the pandemic setting out organisational updates as well as providing clarity on wider (frequently changing) government guidance. Wellbeing has been regularly cited, including a number of links for mental health. Communications have been factual, delivered with the right balance of humour, to raise staff morale and have been generally very well received. • Staff wellbeing engagement has been undertaken via a staff survey in May 2020 (results shared in June 2020). Of the 212 staff members participating, 96% of those felt their managers were understanding about their health and wellbeing and the biggest negative impact was regarding staff missing colleagues and social interactions. Managers reporting to Assistant Directors Group (formerly known as Heads of Service Group) are working on the response to the survey in a 'you said, we did'. • Informal staff engagement has been strong e.g. the use of 'Teams' as a tool for virtual coffee breaks and the recent Macmillan Coffee Morning hosted by Assistant Directors. • Finally, despite the ongoing situation with COVID-19, sickness levels have not suffered a significant impact, but remained constant. <p>As the pandemic enters a 'second wave', coupled with additional pressures on staff wellbeing arising from the winter months and prolonged remote working, the following areas are suggested as forward focus to maintain staff wellbeing:</p> <ul style="list-style-type: none"> • Ensuring that the work streams to address the results of the staff survey are completed and additional snap surveys are undertaken to 	

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
				<p>measure the success of this work and to continue to 'listen' to staff.</p> <ul style="list-style-type: none"> • Creation of a wellbeing page on Infozone where links to downloadable materials, specialist wellbeing pages and FAQ's, can be accessed e.g. providing support on mental health https://www.mind.org.uk/workplace/ • Continue to promote a culture that values individuals and teams (e.g. the 'saying thank you to ...' in weekly comms, promote informal virtual team engagement over the forthcoming holiday period). • Encouraging staff to focus on their physical health (i.e. via reinforcing government safety measures and other measures e.g. promoting nutrition, fitness and educational content etc.) • Continually keep abreast of, and implement suitable innovative developments to promote staff wellbeing. 	
	Risk Management	Review of the adequacy and effectiveness of the Council's risk management policy and system for managing strategic and operational risks.	Q4		
	Housing Allocations	Risk based review of the implementation of the new Housing Allocations Policy and systems for monitoring compliance.	Q4	In progress.	
	Reactive Repairs	Risk based review of the system for reactive repairs.	Q4		
	Planned Maintenance	Risk based review of the planned maintenance programme.	Q4	In progress.	
	Landlord Health & Safety	Compliance review against the Council's landlord health & safety requirements e.g. gas, fire, legionella, asbestos, electrical.	Q3	In progress.	
	Assembly Rooms	Risk based review looking at key aspects of the Assembly Room's operations e.g. income, asset management, marketing, stock and inventory management, procurement,	Q4	Audit postponed to 2021/22 due to the Pandemic.	

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
		security and agility of operations on recovery.			
	Castle	Risk based review looking at key aspects of the Castle's operations e.g. income, asset management, marketing, stock and inventory management, procurement, security and agility of operations on recovery.	Q4	Audit postponed to 2021/22 due to the Pandemic.	
ICT	Remote Working	High level risk based review of ICT systems and controls mitigating risks from remote working.	Q2-Q4	Invitations to Quote for this work have been invited and quotations evaluated. Mobilisation to commence shortly.	
	Network Infrastructure	Risk based review of network infrastructure, including access management and security.			
	'Patching' and Change Control	Risk based review of the Council's systems for patching			
	I-Trent Application (previous year audit)	Risk based review of controls governing access and use of the I-trent (payroll) application.		Audit carried forward from 2019/20 plan. Audit part completed – IT audit contractor furloughed themselves part way through the audit – work is now in the process of being completed.	
Governance Fraud & Other Assurance	Pensions	Assurance statements to Staffordshire County Council / accounts preparation.	Q4		
	Disabled Facilities Grant		Q4	In progress.	
	Municipal Charities		Q4	Complete.	N/A
	Counter Fraud	Work to support the mitigation of fraud risk, the provision of fraud awareness training, pro-active fraud exercises and reactive investigations.	Q1-Q4	Counter fraud checks on Business Grant Relief / Small Business Grant / Hospitality & Leisure Grant / Discretionary Grant Awards claims. Preparation of data sets for the National Fraud Initiative 2020 national exercise. See counter fraud update report.	N/A
	Annual Governance Statement	Production of the AGS.	Q1-Q2	Complete.	N/A
	Annual Audit Opinion	Production of the Annual Audit Opinion	Q1-Q2	Complete.	N/A
	Management and Planning	Management, planning and assurance reporting to CMT and Audit & Governance Committee	Q1-Q4	Ongoing.	N/A
	Ad hoc /	Contingency allocation to be utilised	Q1-Q4	Ongoing.	N/A

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
	Contingency / Consultancy	upon agreement of the Chief Finance Officer			
Follow Up of No and Limited Assurance Opinion Audits	Corporate Business Continuity	Limited Assurance follow up.	Q4	Audit in progress.	
	Property Contracts	Limited Assurance follow up.	Q4		
	Cyber Resilience (Limited Assurance)	Limited Assurance follow up– last recommendation implementation date December 2020 so not yet started.	Q4		
	Data Protection (Limited Assurance)	Follow Up – last recommendation implementation date November 2020 so not yet started.	Q4		
	Housing Regeneration & Affordable Housing	No Assurance (Implementation Review) follow up.	Q3	Complete. One high priority recommendation on this audit (that a risk register be put in place). Risks associated with housing regeneration and affordable housing are now included within the corporate risk management process. As a result, a revised opinion has not been issued on this audit, the audit is instead closed.	Closed
	Street Scene	Limited Assurance (Implementation Review) follow up.	Q4	Audit in progress.	

Appendix 02: Assurance and Recommendation Classifications

Overall Assurance Opinion	Definition
Substantial	There is a sound system of internal control designed to achieve the organisation's objectives. The control processes tested are being consistently applied.
Reasonable	While there is a basically sound system of internal control, there are some weaknesses which may put the organisation's objectives in this area at risk. There is a low level of non-compliance with some of the control processes applied.
Limited	Weaknesses in the system of internal controls are such as to put the organisation's objectives in this area at risk. There is a moderate level of non-compliance with some of the control processes applied.
No	Significant weakness in the design and application of controls mean that no assurance can be given that the organisation will meet its objectives in this area.

Recommendation Priority	Definition
High	High priority recommendation representing a fundamental control weakness which exposes the organisation to a high degree of unnecessary risk.
Medium	Medium priority recommendation representing a significant control weakness which exposes the organisation to a moderate degree of unnecessary risk.
Low (Housekeeping)	Low priority (housekeeping) recommendation highlighted opportunities to implement a good or better practice, to add value, improve efficiency of further reduce the organisation's exposure to risk.

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AUDIT & GOVERNANCE COMMITTEE

11 FEBRUARY 2021

REPORT OF THE HEAD OF AUDIT AND GOVERNANCE & MONITORING OFFICER

AUDIT COMMITTEE EFFECTIVENESS

EXEMPT INFORMATION

None.

PURPOSE

To undertake the annual self-assessment of Audit & Governance Committee effectiveness.

RECOMMENDATIONS

1. That the Committee considers the attached self-assessment checklist and endorses any actions to improve its effectiveness as appropriate.

EXECUTIVE SUMMARY

CIPFA published guidance on the function and operation of Audit Committees in local authorities and police bodies and this represents good practice for audit committees. The guidance was updated in 2018 and incorporates *CIPFA's Position Statement: Audit Committees in Local Authorities and Police (2018)* (the Position Statement), which sets out CIPFA's views on the role and functions of an Audit Committee.

The Position Statement emphasises the importance of Audit Committees being in place in all principal local authorities and it also recognises that Audit Committees are a key component of governance. Audit Committees are an important source of assurance about an organisation's arrangements for managing risk, maintaining an effective control environment and reporting on financial and other performance.

Appendix 1 provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement. Where an Audit Committee has a high degree of performance against the good practice principles, then it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective Audit Committee.

A regular self-assessment should be used to support the planning of the Audit Committee work programme and training plans; and inform the annual report.

As part of last year's assessment members were asked to complete a 'knowledge and skills' self-assessment (**Appendix 2**) and the results fed into the training provided to members in the Autumn. Members are again requested to update this assessment and return it to the Head of Audit & Governance to inform Autumn 2021 training.

Actions outstanding from the previous year's assessment have been carried forward where still relevant.

RESOURCE IMPLICATIONS

None.

LEGAL/RISK IMPLICATIONS BACKGROUND

None.

EQUALITIES IMPLICATIONS

None.

SUSTAINABILITY IMPLICATIONS

None.

BACKGROUND INFORMATION

None.

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LIST OF BACKGROUND PAPERS

APPENDICES

Appendix 1 Audit Committee Self-Assessment of Compliance with Good Practice

Appendix 2 Knowledge and Skills Self-Assessment

Audit Committee Self-Assessment of Compliance with Good Practice

Good Practice Questions	Yes	Partly	No	Comments / Actions
Audit committee purpose and governance				
1 Does the Authority have a dedicated audit committee?	Y			At least 7 members with membership aligned with the political balance of the Council. Option to co-opt up to 2 independents (see also 12) and Committee have decided to pursue this option, although recruitment has been delayed due to the Pandemic.
2 Does the audit committee report directly to Full Council?	Y			Committee produces an Annual Report and reports to Full Council via the Chair with the ability to raise any concerns. There is also a right of access to the Leadership Team.
3 Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's Position Statement?	Y			Current terms of reference accords with CIPFA guidance.
4 Is the role and purpose of the audit committee understood and accepted across the Authority?	Y			Set out in the Constitution – role and purpose understood by Members, Leadership, Assistant Directors and reporting officers. Audit & Governance Committee Training for all members held on 17 November 2020. Set out within annual report of the Audit & Governance Committee to Council.
5 Does the audit committee provide support to the Authority in meeting the requirements of good governance?	Y			Through coverage of all the areas set out in the Terms of Reference.
6 Are the arrangements to hold the committee to account for its performance operating satisfactorily?	Y			Arrangements in place via Committee production of Annual Report to Full Council.
Functions of the committee				
7 Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement?				
<input type="checkbox"/> good governance	Y			The terms of reference includes the ability to monitor the effective development and operation of the corporate governance framework in the Council and to recommend to the Cabinet or the Council, as appropriate, the actions necessary to ensure compliance with best practice.
<input type="checkbox"/> assurance framework, including partnerships and collaboration arrangements	Y			The assurance framework forms part of the annual Internal Audit opinion and includes consideration of all assurances sourced from external/ independent sources.
<input type="checkbox"/> internal audit	Y			Detailed provision in the terms of reference for oversight of internal, external audit and financial reporting (accounts).
<input type="checkbox"/> external audit	Y			
<input type="checkbox"/> financial reporting	Y			
<input type="checkbox"/> risk management	Y			
				The terms of reference includes the ability

				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.
<input type="checkbox"/> value for money or best value	Y			This is covered explicitly through the work completed and assurance provided by external audit. Ensuring value for money also forms an inherent part of the Internal Audit approach.
<input type="checkbox"/> counter fraud and corruption	Y			The ability to monitor the effectiveness of the Council's policies and arrangements for anti-fraud and corruption and whistle-blowing are included within the terms of reference.
<input type="checkbox"/> supporting the ethical framework	Y			Matters concerning standards and codes of conduct form an inherent part of the Committee's remit and via its sub-committee. Internal Audit also provide assurance on areas associated with the ethical framework as part of annual Internal Audit Plans.
8 Is an annual evaluation undertaken to assess whether the committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas?	Y			Annual report of the Committee sets out the work undertaken in accordance with the Terms of Reference. Core areas from the CIPFA guidance considered as part of this assessment.
9 Has the audit committee considered the wider areas identified in CIPFA's Position Statement and whether it would be appropriate for the committee to undertake them?	Y			The committee has assumed responsibility for some of these areas, including standards. Assurance on treasury management is provided through Internal audit coverage (the Treasury Management Code requires the Council to nominate a Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies - A&G Committee is the nominated committee). Consideration is also given to governance and risk matters highlighted by other committees such as Overview and Scrutiny.
10 Where coverage of core areas has been found to be limited, are plans in place to address this?	N/A			Coverage of core areas is felt to be sufficient.
11 Has the committee maintained its advisory role by not taking on any decision-making powers that are not in line with its core purpose?	Y			The Committee has maintained its oversight / advisory role during the period.
Membership and support				
12 Has an effective audit committee structure and composition of the committee been selected? This should include:				
<input type="checkbox"/> separation from the executive	Y			
<input type="checkbox"/> an appropriate mix of knowledge and skills among the membership	Y			
<input type="checkbox"/> a size of committee that is not unwieldy	Y			
<input type="checkbox"/> consideration has been given to the inclusion of at least one independent member (where it	Y			

is not already a mandatory requirement).			
13 Have independent members appointed to the committee been recruited in an open and transparent way and approved by the Full council or as appropriate for the organisation?	Y		Recruitment will be undertaken in an open and transparent way and approved by the Full Council.
14 Does the chair of the committee have appropriate knowledge and skills?	Y		Chair has a background and experience which supports his role on the Committee and has undertaken Member training.
15 Are arrangements in place to support the committee with briefings and training?	Y		<p>Annual Audit & Governance Training for all members was held in November 2020 included a comprehensive overview of all aspects of the remit. A specific treasury management session was held in 22 July 2019.</p> <p>Members were asked to complete a knowledge and skills' self- assessment for the previous years' effectiveness review (Feb 2020). Of the returns received, the following was identified as potential areas to focus training:</p> <ul style="list-style-type: none"> • Governance • Internal Audit • Counter Fraud • Treasury <p>These areas were covered during the November 2020 training.</p>
16 Has the membership of the Committee been assessed against the core knowledge and skills framework and found to be satisfactory?	Y		See 15 above.
17 Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?	Y		Good relationships are in place.
18 Is adequate secretariat and administrative support to the committee provided?	Y		Democratic Services provide support. The Committee successfully transitioned during the year to holding meetings remotely due the Pandemic.
19 Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	Y		No formal feedback on performance, however, the Committee does get feedback from internal and external audit e.g. private meeting with the auditors.
20 Are meetings effective with a good level of discussion and engagement from all the members?	Y		Meetings have a good level of discussion and engagement from all members.
21 Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?	Y		Senior managers have attended recent A&G Committee meetings to present updates for Members and to be challenged on specific areas of interest or concern. This practice will continue as appropriate.
22 Does the committee make recommendations for the improvement of governance, risk and control and are these acted on?	Y		Agreed actions and recommendations are followed up at subsequent meetings.
23 Has the committee evaluated whether and how it is adding value to	Y		As part of the annual report and this self-assessment process.

the organisation?			
24 Does the committee have an action plan to improve any areas of weakness?	Y		Actions have been detailed as part of the annual self-assessment process.
25 Does the committee publish an annual report to account for its performance and explain its work?	Y		The Chair's Annual Report is presented to Full Council.

Audit Committee Members – Knowledge and Skills Framework (CIPFA Guidance)

CORE AREAS OF KNOWLEDGE

Knowledge area	Details of core knowledge required	How the audit committee member is able to apply the knowledge	Self-evaluation, examples, areas of strength and weakness	Overall assessment of skills/ knowledge 1 – 5 1 being poor and 5 excellent
Organisational knowledge	An overview of the governance structures of the authority and decision-making processes. Knowledge of the organisational objectives and major functions of the authority.	This knowledge will be core to most activities of the audit committee including review of the Annual Governance Statement, internal and external audit reports and risk registers.		
Audit committee role and functions	An understanding of the audit committee’s role and place within the governance structures. Familiarity with	This knowledge will enable the audit committee to prioritise its work in order to ensure it discharges its responsibilities under its terms of reference		

Knowledge area	Details of core knowledge required	How the audit committee member is able to apply the knowledge	Self-evaluation, examples, areas of strength and weakness	Overall assessment of skills/ knowledge 1 – 5 1 being poor and 5 excellent
	<p>the committee's terms of reference and accountability arrangements.</p> <p>Knowledge of the purpose and role of the audit committee.</p>	<p>and to avoid overlapping the work of others.</p>		
Governance	<p>Knowledge of the six principles of the CIPFA/SOLACE Good Governance Framework and the requirements of the Annual Governance Statement (AGS).</p> <p>Knowledge of the local code of governance.</p>	<p>The committee will plan the assurances it is to receive in order to adequately support the AGS.</p> <p>The committee will review the AGS and consider how the authority is meeting the principles of good governance.</p>		
Internal audit	<p>An awareness of the key principles of the <i>Public Sector Internal Audit Standards</i> and the <i>Local Government Application Note</i>.</p> <p>Knowledge of the arrangements for delivery of the internal audit service in the authority and how the role of the head of internal audit is fulfilled.</p>	<p>The audit committee has oversight of the internal audit function and will monitor its adherence to professional internal audit standards.</p> <p>The audit committee will review the assurances from internal audit work and will review the risk-based audit plan. The committee will also receive the annual report, including an opinion and information on conformance with professional</p>		

Knowledge area	Details of core knowledge required	How the audit committee member is able to apply the knowledge	Self-evaluation, examples, areas of strength and weakness	Overall assessment of skills/ knowledge 1 – 5 1 being poor and 5 excellent
		<p>standards.</p> <p>In relying on the work of internal audit, the committee will need to be confident that professional standards are being followed.</p>		
Financial management and accounting	<p>Awareness of the financial statements that a local authority must produce and the principles it must follow to produce them.</p> <p>Understanding of good financial management principles.</p> <p>Knowledge of how the organisation meets the requirements of the role of the chief financial officer, as required by the <i>CIPFA Statement on the Role of the Chief Financial Officer in Local Government</i>.</p>	<p>Reviewing the financial statements prior to publication, asking questions.</p> <p>Receiving the external audit report and opinion on the financial audit.</p> <p>Reviewing both external and internal audit recommendations relating to financial management and controls.</p> <p>The audit committee should consider the role of the CFO and how this is met when reviewing the AGS.</p>		

Knowledge area	Details of core knowledge required	How the audit committee member is able to apply the knowledge	Self-evaluation, examples, areas of strength and weakness	Overall assessment of skills/ knowledge 1 – 5 1 being poor and 5 excellent
External audit	<p>Knowledge of the role and functions of the external auditor and who currently undertakes this role.</p> <p>Knowledge of the key reports and assurances that external audit will provide.</p> <p>Knowledge about arrangements for the appointment of auditors and quality monitoring undertaken.</p>	<p>The audit committee should meet with the external auditor regularly and receive their reports and opinions.</p> <p>Monitoring external audit recommendations and maximising benefit from audit process.</p> <p>The audit committee should monitor the relationship between the external auditor and the authority and support the delivery of an effective service.</p>		
Risk management	<p>Understanding of the principles of risk management, including linkage to good governance and decision making.</p> <p>Knowledge of the risk management policy and strategy of the organisation.</p> <p>Understanding of risk governance arrangements, including the role of members and of the audit committee.</p>	<p>In reviewing the AGS, the committee will consider the robustness of the authority's risk management arrangements and should also have awareness of the major risks the authority faces.</p> <p>Keeping up to date with the risk profile is necessary to support the review of a number of audit committee agenda items, including the risk-based internal audit plan, external audit plans,</p>		

Knowledge area	Details of core knowledge required	How the audit committee member is able to apply the knowledge	Self-evaluation, examples, areas of strength and weakness	Overall assessment of skills/ knowledge 1 – 5 1 being poor and 5 excellent
		<p>and the explanatory foreword of the accounts.</p> <p>Typically, risk registers will be used to inform the committee.</p> <p>The committee should also review reports and action plans to develop the application of risk management practice.</p>		
Counter-fraud	<p>An understanding of the main areas of fraud risk the organisation is exposed to.</p> <p>Knowledge of the principles of good fraud risk management practice (Red Book 2).</p> <p>Knowledge of the organisation's arrangements for tackling fraud.</p>	<p>Knowledge of fraud risks and good fraud risk management practice will be helpful when the committee reviews the organisation's fraud strategy and receives reports on the effectiveness of that strategy.</p> <p>An assessment of arrangements should support the AGS and knowledge of good fraud risk management practice will support the audit committee member in reviewing that assessment.</p>		

Knowledge area	Details of core knowledge required	How the audit committee member is able to apply the knowledge	Self-evaluation, examples, areas of strength and weakness	Overall assessment of skills/ knowledge 1 – 5 1 being poor and 5 excellent
Values of good governance	<p>Knowledge of the Seven Principles of Public Life.</p> <p>Knowledge of the authority's key arrangements to uphold ethical standards for both members and staff.</p> <p>Knowledge of the whistleblowing arrangements in the authority.</p>	<p>The audit committee member will draw on this knowledge when reviewing governance issues and the AGS.</p> <p>Oversight of the effectiveness of whistleblowing will be considered as part of the AGS. The audit committee member should know to whom concerns should be reported.</p>		
Treasury management	<p>The key knowledge areas identified are:</p> <ul style="list-style-type: none"> regulatory requirements treasury risks the organisation's treasury management strategy the organisation's policies and procedures in relation to treasury management. 	<p>Core knowledge on treasury management is essential for the committee undertaking the role of scrutiny.</p>		

CORE SKILLS

Skills	Key elements	How the audit committee member is able to apply the skill	Self-evaluation, examples, areas of strength and weakness	Overall assessment of skills/ knowledge 1 – 5 1 being poor and 5 excellent
Strategic thinking and understanding of materiality	Able to focus on material issues and overall position, rather than being side-tracked by detail.	When reviewing audit reports, findings will include areas of higher risk or materiality to the organisation, but may also contain more minor errors or control failures. The audit committee member will need pitch its review at an appropriate level to avoid spending too much time on detail.		
Questioning and constructive challenge	Able to frame questions that draw out relevant facts and explanations. Challenging performance and seeking explanations while avoiding hostility or grandstanding.	The audit committee will review reports and recommendations to address weaknesses in internal control. The audit committee member will seek to understand the reasons for weaknesses and ensure a solution is found.		
Focus on improvement	Ensuring there is a clear plan of action and allocation of responsibility.	The outcome of the audit committee will be to secure improvements to the governance, risk management or control of the organisation,		

Skills	Key elements	How the audit committee member is able to apply the skill	Self-evaluation, examples, areas of strength and weakness	Overall assessment of skills/ knowledge 1 – 5 1 being poor and 5 excellent
		<p>including clearly defined actions and responsibilities.</p> <p>Where errors or control failures have occurred, then the audit committee should seek assurances that appropriate action has been taken.</p>		
Able to balance practicality against theory	Able to understand the practical implications of recommendations to understand how they might work in practice.	The audit committee should seek assurances that planned actions are practical and realistic.		
Clear communication skills and focus on the needs of users	Support the use of plain English in communications, avoiding jargon, acronyms, etc.	The audit committee will seek to ensure that external documents such as the Annual Governance Statement and the explanatory foreword to the accounts are well written for a non-expert audience.		
Objectivity	Evaluate information on the basis of evidence presented and avoiding bias or	The audit committee will receive assurance reports and review risk registers. There may be		

Skills	Key elements	How the audit committee member is able to apply the skill	Self-evaluation, examples, areas of strength and weakness	Overall assessment of skills/ knowledge 1 – 5 1 being poor and 5 excellent
	subjectivity.	differences of opinion about the significance of risk and the appropriate control responses and the committee member will need to weigh up differing views.		
Meeting management skills	Chair the meetings effectively: summarise issues raised, ensure all participants are able to contribute, focus on the outcome and actions from the meeting.	These skills are essential for the audit committee chair to help ensure that meetings stay on track and address the items on the agenda. The skills are desirable for all other members.		

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PLANNED REPORTS TO AUDIT AND GOVERNANCE COMMITTEE 2020-2021

	Report	Committee Date	Report Of	Comments
1	Audit Committee update	26 March 2020* *26 March 2020 meeting did not take place due to Covid-19 restrictions	Grant Thornton	Circulated to the Committee 22 May 2020
2	Informing the Audit Risk Assessment	26 March 2020*	Grant Thornton	Circulated to the Committee 22 May 2020
3	Update on Audit Matters from Public Sector Audit Appointments Limited	26 March 2020*	Joint Report of Grant Thornton and the Executive Director Finance	Circulated to the Committee 22 May 2020
4	Cipfa Section 151 Update and Review of the Financial Resilience Index	26 March 2020*	Executive Director Finance	Circulated to the Committee 22 May 2020
5	Review of the Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Statement and the Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Review Report	26 March 2020*	Executive Director Finance	Presented to Council Dec 19 / Feb 20. Circulated to the Committee 22 May 2020
6	Final Accounts – Accounting Policies and Action Plan	26 March 2020*	Assistant Director of Finance	Circulated to the Committee 22 May 2020

7	Risk Based Verification – exempt item	26 March 2020*	Assistant Director of Finance	Circulated to the Committee 22 May 2020
8	Internal Audit Charter and Audit Plan	26 March 2020*	Head of Audit & Governance	Circulated to Committee 23 June 2020
9	Review of the Constitution and Scheme of Delegation for Officers	26 March 2020*	Head of Audit & Governance	Deferred to October 2020 meeting
10	Review of Financial Guidance	26 March 2020*	Head of Audit & Governance	Circulated to Committee 12 June 2020
11	Pros & cons of Independent Members	26 March 2020*	Head of Audit & Governance	Deferred to July 2020 Committee
	Private meeting of Internal and External Auditors and Committee members	Deferred to July 2020 meeting		
1	Role of the Audit Committee	4 June 2020 **	Grant Thornton	Presentation/training – postpone to later in the year
2	Audit Committee update	4 June 2020	Grant Thornton	Deferred to July 2020 Committee
3	RIPA Quarterly Report	4 June 2020	Assistant Director - Partnerships	Deferred to July 2020 Committee
4	Internal Audit Annual and Quarterly Update	4 June 2020	Head of Audit & Governance	Deferred to July 2020 Committee

5	Public Sector Internal Audit Standards/Quality Assurance and Improvement Programme	4 June 2020	Head of Audit & Governance	Report circulated 3 June 2020
6	Annual Governance Statement and Code of Corporate Governance	4 June 2020	Head of Audit & Governance	Requires approval defer to October 2020 to accompany statement of accounts
7	Counter Fraud Update	4 June 2020	Head of Audit & Governance	Defer to October 2020 Committee
8	Chair of Audit & Governance Committee's Annual Report	4 June 2020	Head of Audit & Governance	Report circulated 12 June 2020
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1	Audit Committee update	23 July 2020 (Meeting programme commences remotely)	Grant Thornton	Regular item
2	Audit Findings Report	23 July 2020	Grant Thornton	Deferred to October 2020 Committee
3	Management Representation Letter	23 July 2020	Grant Thornton	Deferred to October 2020 Committee
4	Annual Statement of Accounts	23 July 2020	Executive Director Finance	Deferred to October 2020 Committee
5	Risk Management Quarterly Update	23 July 2020	Assistant Director – Finance	

6	RIPA Quarterly Report and Policy	23 July 2020	Assistant Director - Partnerships	Deferred from June 2020 Committee
7	Internal Audit Annual Report and Update	23 July 2020	Head of Audit & Governance	Deferred from June 2020 Committee
8	Pros and Cons of Independent Members	23 July 2020	Head of Audit & Governance	Deferred from June 2020 Committee
9	Modern Slavery and Human Trafficking Statement	23 July 2020	Assistant Director - Partnerships	To be circulated to Committee for comment in advance of submission to Cabinet for approval.
1	Audit Findings Report	29 October 2020	Grant Thornton	Deferred from July 2020 Committee
2	Management Representation Letter	29 October 2020	Grant Thornton	Deferred from July 2020 Committee
3	Annual Statement of Accounts	29 October 2020	Executive Director Finance	Deferred from July 2020 Committee
4	Annual Governance Statement and Code of Corporate Governance	29 October 2020	Head of Audit & Governance	Deferred from June 2020 Committee

5	Review of the Constitution and Scheme of Delegation for Officers	29 October 2020	Head of Audit & Governance	Deferred to October 2020 meeting
6	Internal Audit Quarterly Update	29 October 2020	Head of Audit & Governance	
7	Risk Management Quarterly Update	29 October 2020	Assistant Director – Finance	
8	Annual Treasury Outturn	29 October 2020	Executive Director Finance	
9	Local Government Ombudsman’s Annual Review and Report 2018/19	29 October 2020	Assistant Director - People	
10	Counter Fraud Update	29 October 2020	Head of Audit & Governance	Deferred from July 2020 Committee
11	Review of the Proposed Investment in Property Funds	29 October 2020	Executive Director Finance	Referred from Corporate Scrutiny Committee
	Private meeting of Internal and External Auditors and Committee members	29 October 2020		
1	Annual Audit Letter	11 February 2021	Grant Thornton	
2	Internal Audit Quarterly Update	11 February 2021	Head of Audit & Governance	
3	Risk Management Quarterly Update	11 February 2021	Assistant Director – Finance	
4	Audit Committee Effectiveness	11 February 2021	Head of Audit & Governance	

5	Modern Slavery and Human Trafficking Statement	11 February 2021	Assistant Director - Partnerships	
1	Audit Committee update	23 March 2021	Grant Thornton	Regular Update
2	Fee Increase Letter	23 March 2021	Grant Thornton	
3	Audit Plan	23 March 2021	Grant Thornton	
4	Informing the Audit Risk Assessment	23 March 2021	Grant Thornton	
5	Review of the Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Statement and the Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Review Report	23 March 2021	Executive Director Finance	
6	Final Accounts – Accounting Policies and Action Plan	23 March 2021	Assistant Director of Finance	
7	Risk Based Verification – exempt item	23 March 2021	Assistant Director of Finance	
8	Internal Audit Charter and Audit Plan	23 March 2021	Head of Audit & Governance	
9	Review of the Constitution and Scheme of Delegation for Officers	23 March 2021	Head of Audit & Governance	

10	Review of Financial Guidance	23 March 2021	Assistant Director Finance	
	Private meeting of Internal and External Auditors and Committee members			

List of reports pre-circulated to the Committee during lockdown restrictions as only noting and endorsement are required, not approval:

ITEM	MEETING DATE OF ENDORSEMENT / NOTING CONFIRMATION
INTERNAL AUDIT	
Internal Audit Charter and Audit Plan	23 July 2020
Review of Financial Guidance	23 July 2020
Public Sector Internal Audit Standards/Quality Assurance and Improvement Programme	23 July 2020
Chair of the Audit Committee's Annual Report to Council	23 July 2020
FINANCE	
Audit Committee Update (Grant Thornton)	23 July 2020
Informing the Audit Risk Assessment	23 July 2020
Update on Audit Matters from Public Sector Audit Appointments Limited	23 July 2020
CIPFA Section 151 Update and Review of the Financial Resilience Index	23 July 2020
Review of the Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Statement and the Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Review Report	23 July 2020
Final Accounts – Accounting Policies and Action Plan	23 July 2020
Risk Based Verification – exempt item	23 July 2020

The Portfolio Holder for Assets and Finance