

Public Document Pack



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AUDIT COMMITTEE

DATE: FRIDAY 25 MARCH 2011

TIME: 10 AM

PLACE: COUNCIL HOUSE, PLYMOUTH (NEXT TO THE CIVIC CENTRE)

Members –

Councillor Berrow, Chair.

Councillor Evans, Vice-Chair.

Councillors Murphy, Stark and Thompson.

Independent Members –

Mr. Clarke and Mr. Stewart, plus one vacancy.

Substitutes -

Any Member other than a Member of the Cabinet may act as a substitute member provided that they do not have a personal and prejudicial interest in the matter under review.

Members are invited to attend the above meeting to consider the items of business overleaf

Members and Officers are requested to sign the attendance list at the meeting.

Please note that, unless the Chair agrees, mobile phones should be switched off and speech, video and photographic equipment should not be used during meetings.

BARRY KEEL
CHIEF EXECUTIVE

AUDIT COMMITTEE
PART I (PUBLIC COMMITTEE)

AGENDA

1. APOLOGIES

To receive apologies for non-attendance submitted by Committee Members.

2. DECLARATIONS OF INTEREST

Members will be asked to make any declarations of interest in respect of items on this agenda.

3. MINUTES

(Pages 1 - 10)

To confirm the minutes of the meeting held on 21 January, 2011.

4. CHAIR'S URGENT BUSINESS

To receive reports on business which, in the opinion of the Chair, should be brought forward for urgent consideration.

5. STRATEGIC RISK REGISTER - MONITORING REPORT

(Pages 11 - 32)

The Director for Corporate Support will submit a report summarising the latest formal monitoring exercise completed for the Strategic Risk Register for the period September 2010 to February 2011.

6. RISK CHAMPION UPDATE - SERVICES FOR CHILDREN AND YOUNG PEOPLE

(Pages 33 - 34)

A representative from Services for Children and Young People will be in attendance to report on how the Directorate is managing risk.

7. ANNUAL AUDIT FEE 2011/12

(Pages 35 - 38)

The Council's external auditor, Grant Thornton, will submit its Annual Audit Fee letter confirming the audit work to be undertaken during 2011/12 and the associated fee.

8. AUDIT PLAN 2010/11 PROGRESS REPORT

VERBAL

The Council's external auditor, Grant Thornton, will provide a verbal update on progress against its Audit Plan for 2010/11.

9. INTERNAL AUDIT PLAN 2011/12 (Pages 39 - 50)

The Assistant Head of Devon Audit Partnership will submit the Internal Audit Plan for 2011/12.

10. INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) - PROGRESS REPORT VERBAL

The Director for Corporate Support will provide a verbal update in respect of International Reporting Standards (IFRS).

11. AUDIT COMMITTEE FORWARD WORK PLAN (Pages 51 - 56)

The Committee will note the conclusion of its work programme for 2010/11. The next meeting will be on 27 June 2011. Dates of subsequent meetings will be confirmed along with the Calendar of Meetings at City Council on 11 April, 2011.

12. INFORMATION GOVERNANCE VERBAL

The Assistant Director for ICT will update the Committee on how information management principles are being embedded throughout the organisation.

13. EXEMPT BUSINESS

To consider passing a resolution under Section 100A(4) of the Local Government Act 1972 to exclude the press and public from the meeting for the following item(s) of business on the grounds that it (they) involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act, as amended by the Freedom of Information Act 2000.

PART II (PRIVATE COMMITTEE)

AGENDA

MEMBERS OF THE PUBLIC TO NOTE

that under the law, the Committee is entitled to consider certain items in private. Members of the public will be asked to leave the meeting when such items are discussed.

14. INFORMATION GOVERNANCE (E3) VERBAL

The Assistant Director for ICT will respond to questions on how the information management principles are being embedded throughout the organisation.

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Audit Committee

Friday 21 January 2011

PRESENT:

Councillor Berrow, in the Chair.
Councillor Evans, Vice-Chair.
Councillors Murphy, Stark and Thompson.

Independent Members: Mr. Clarke and Mr. Stewart.

Apology for absence: Ms. Myles, Independent Member.

Also in attendance: Councillor Bowyer, Cabinet Member for Finance, Property, People and Governance, David Northey, Head of Finance, Sue Watts, Assistant Head of Devon Audit Partnership, Malcolm Coe, Assistant Director for Finance, Assets and Efficiencies, Mike Hocking, Head of Corporate Risk and Insurance, Julie Hosking, Risk Management and Insurance, Barrie Morris and Kate Jefferies, Grant Thornton, Judy Jones, Heath Lambert, Sandra Wilson, Corporate Accountancy and Finance Manager, Tim Howes, Assistant Director for Democracy and Governance, Joan Chilcott, Capital Programme and Projects Manager, Chris Trevitt, Head of Capital and Assets, Neville Cannon, Assistant Director for ICT, Richard Woodfield, Corporate Information Manager and Katey Johns, Democratic Support Officer.

The meeting started at 10 am and finished at 1.40 pm.

Note: At a future meeting, the committee will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

58. **DECLARATIONS OF INTEREST**

There were no declarations of interest made in accordance with the Code of Conduct.

59. **MINUTES**

Agreed the minutes of the meeting held on 15 November, 2010.

60. **CHAIR'S URGENT BUSINESS**

There were no items of Chair's urgent business.

61. **INDEPENDENT MEMBER**

The Chair reported on the resignation of Lynne Myles one of the Committee's Independent Members. The Committee was informed that, whilst Ms. Myles had found her role on the Committee extremely challenging, rewarding and developmental over the past three years, it was becoming increasingly difficult for her to attend meetings due to work pressures and she no longer felt able to fulfil the role to the best of her abilities.

Members were advised that the Chair had responded to Ms. Myles offering his thanks for her services to the Committee and wishing her well for the future. Recruitment would now commence with a view to appointing a new Independent Member before the next meeting of the Committee and Members were invited to send suggested nominations to the Chair and Vice-Chair.

(In accordance with Section 100(B)(4)(b) of the Local Government Act, 1972, the Chair brought forward the above item for urgent consideration because of the need to inform Members).

62. **OPERATIONAL RISK MANAGEMENT UPDATE REPORT**

The Director for Corporate Support submitted an update in respect of Operational Risk Management. In attendance to present the report was the Head of Corporate Risk and Insurance who advised that –

- (a) the report outlined the continuing progress being made across services in delivering operational risk registers;
- (b) the total number of operational risks had increased from 115 to 118, comprising four high (red) risks, 63 medium (amber) risks and 51 low (green) risks;
- (c) commentary on the high risk areas was included within the report, together with details of control actions/mitigation in place.

In response to questions raised, the Committee was advised that –

- (d) target dates had been set against red risk items;
- (e) clarification on the number of children currently waiting allocation of a school place would be sought;
- (f) an update on progress with regard to replacement of the Council's performance management system would be sought, together with details of how the risk involved in transferring from one system to another was being recorded.

Agreed that –

- (1) the current position with regard to operational risk management be noted;
- (2) written responses to the questions raised at (d), (e) and (f) above would be circulated to Committee Members via the Democratic Support Officer.

(This item was considered in conjunction with the Independent Review of the Council's Risk Management Maturity report detailed under minute 63).

63. **INDEPENDENT REVIEW OF THE COUNCIL'S RISK MANAGEMENT MATURITY - SUMMARY**

The Committee welcomed Judy Jones from Heath Lambert who was in attendance to present the findings of the independent review undertaken in regard to the Council's risk management maturity. The report -

- (a) provided details of the approach which had been taken in order to carry out the review, along with the scope and objectives;
- (b) set out the key findings arising from the review which included many examples of very good, even exemplary, risk management practice;
- (c) identified risk management of partnerships as an area of relative weakness but commented Plymouth was not alone and that this was typical of the sector;
- (d) contained seven recommendations designed to support further integration and embedding of risk management across the Council.

In response to questions raised, Members were advised that –

- (e) the Audit Committee appeared to be playing its part in monitoring risk management, as had been evidenced through minutes of meetings, any further relevant observations would be fed back following today's meeting;
- (f) a fundamental review of risk management of partnerships was being carried out by the Head of Performance, Policy and Partnerships over the next 12 months;
- (g) clarification would be sought on who would be responsible for monitoring the City's birth rate after primary care trusts had been abolished.

Agreed that –

- (1) the findings of the independent review be endorsed.
- (2) a written response to the question raised at (g) above would be circulated to Committee Members via the Democratic Support Officer.

(This item was considered in conjunction with the Operational Risk Management Update report detailed under minute 62).

64. **ANNUAL REVIEW OF FINANCIAL REGULATIONS**

The Director for Corporate Support submitted for consideration the Annual Review of Financial Regulations. In attendance to present the report to Committee was the Corporate Accountancy and Finance Manager. Members were advised that –

- (a) as part of the review for 2010, it was being proposed that the Finance Regulations (hereafter referred to as Finance Rules) should be incorporated

within the overall constitution in order to clarify and ensure consistency of Council delegation authorities;

- (b) the new Finance Rules, which had been significantly refined from 108 pages down to 30 pages, were attached at Appendix A to the report;
- (c) authority was also being sought to amend the virement delegation limits and the inclusion of the Capital Governance document, attached at Appendix B to the report, onto the index.
- (d) a separate presentation would be provided on the proposed Capital Programme Governance arrangements for which the Capital Programme and Projects Manager and Head of Capital and Assets were in attendance.

Given that the constitution should be embedded in the Council and subject to little change, concern was expressed at the proposal to incorporate documents which were subject to frequent review. Concern was also expressed at the level of delegation being proposed to officers, particularly in respect of –

- Emergency Spending proposals within the new Finance Rules
- Capital Programme Governance arrangements

Agreed that –

- (1) the proposal to incorporate the Financial Rules within the overall constitution be noted;
- (2) the proposed changes to the virement delegation limits be recommended to Council;
- (3) the new Finance Rules be recommended for discussion at Council; the same to be attached to the constitution as an appendix;
- (4) the Capital Governance Document outlining the detailed arrangements for managing and monitoring the capital programme be approved and added to the Finance Rules Index, subject to new schemes costing up to £100,000 being approved by the relevant Cabinet Member;
- (5) no project manager should be appointed to any project (revenue or capital) prior to having undertaken relevant project management training.

(Councillor Evans' proposal to amend recommendation (3) so that the new Finance Rules be discussed at Council, having been seconded by Councillor Stark, was put to the vote and declared carried).

(Councillor Stark's proposal to amend recommendation (4) so that new schemes costing up to £100,000 required approval by the relevant Cabinet Member, having been seconded by Councillor Evans, was put to the vote and declared carried).

(Councillor Evans' proposal to include an additional recommendation (5), having been seconded by Councillor Stark, was put to the vote and declared carried).

65. **TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2011/12**

The Director for Corporate Support submitted for consideration the Treasury Management Strategy Statement and Annual Investment Strategy 2011/12. In attendance to present the report to Committee was the Corporate Accountancy and Finance Manager. Members were advised that the report -

- (a) outlined how the treasury management function contributed to the Council's overall policy objectives;
- (b) set out the risks inherent within the treasury management function and how officers would seek to minimise those risks;
- (c) identifies the Council's Prudential Indicators for the next three years as required by the Local Government Act 2003, together with the MRP policy for 2011/12 required under the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008.

In response to questions raised, Members were advised that –

- (d) details of the interest rates being achieved in respect of the Council's investments were available and would be circulated to Members separately after the meeting;
- (e) it was difficult to draw a comparison with how Plymouth was performing as many local authorities were still only using the Government's Debt Management Fund, however, benchmarking of the Council's performance had been included in the last report and would be included in the next mid-year report to Committee;
- (f) the banks listed in the report were UK banks or wholly-owned UK subsidiary companies.

Agreed that the –

- (1) Treasury Management Strategy Statement for 2011/12 be approved;
- (2) Investment Strategy for 2011/12, as outlined in Section 11 of the report, be approved;
- (3) Lending Organisations and Counter Party Limits, as outlined in appendix D to the report, be approved;
- (4) Director for Corporate Support, acting under delegated authority in accordance with the Constitution, be requested to keep the lending list under review and updates the list during the year as dictated by market circumstances;

- (5) following be recommended to Full Council, subject to update following any revision to the capital programme –
- (a) the Prudential Indicators set out in the report;
 - (b) the Authorised Borrowing limits of £379m, £376m and £373m for the period 2011/12 to 2013/14;
 - (c) the Operational Boundary of £355m, £347m and £334m for 2011/12 to 2013/14;
 - (d) the MRP Policy for 2011/12.

66. **INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) - PROGRESS REPORT**

The Corporate Accountancy and Finance Manager provided a verbal update on progress towards International Financial Reporting Standards (IFRS). It was reported that –

- (a) the project continued to progress well;
- (b) there had been a delay in receiving the guidance notes which had resulted in officers being behind with the re-statement of the 2009/10 accounts. The focus was now on –
 - re-stating the 2009/10 accounts in the new format
 - ensuring there was clarity on different treatments and that any changes were tracked
 - following through small pieces of outstanding work around grants and employee benefits
- (c) several meetings had taken place with external audit and agreement had now been reached on the proposed treatment of some smaller, less material, items;
- (d) an IFRS workshop, hosted by Grant Thornton, had been held in Plymouth before Christmas and had been well attended by representatives from local councils;
- (e) more detailed work was being undertaken with respect to preparing revised / new accounting policies and a revised set of accounting policies was now ready for the 2010/2011 closedown;
- (f) an IFRS chart of accounts had been set up in the General Ledger and three years' worth of draft statements had been produced in the new format. These were all now being reviewed in light of receipt of the final guidance and would need to be re-run when all of the re-statement entries had been finalised;
- (g) a lot of work had been done around analysing 'hidden' transactions, such as –
 - embedded leases

- service concessions
 - embedded derivatives
- (h) Officers hoped to be in a position to familiarise Committee with the new format prior to bringing the final accounts for 2010/11 to Committee for approval in June.

In response to questions raised, Members were advised that the initial preparation for this work had primarily involved substantial use of finance resources, however, more departments were now being required to input to the project such as procurement, through the review of contracts, and Community Services. The Council had not received any financial support towards the cost of the IFRS work in terms of officer time and resources. The work would result in additional work by the external auditor for which a fee would be payable. However, the cost of the additional audit work was being fully mitigated by the Audit Commission.

The Committee noted the update with thanks.

67. **EXTERNAL AUDIT - CERTIFICATION WORK REPORT 2009/10**

The City Council's external auditor, Grant Thornton, submitted the Certification Work Report for 2009/10. The report –

- (a) set out the requirements for certification arrangements and the approach adopted by Grant Thornton, acting as agent of the Audit Commission;
- (b) detailed the key messages arising from the certification work, including that –
- 9 claims and returns had been certified for the Council, amounting to £207 million
 - the Council's performance in preparing claims and returns had significantly improved since 2008/09
 - work was required in relation to timeliness of submissions
 - only one claim had been identified as having significant issues and that was in respect of the Housing and Council Tax Benefit Scheme
- (c) indicated that the fee for certification work at the Council in 2009/10 was £49,031.

Members were advised that a correction was required to the table set out on page 157 and that, within the 2009/10 column, the figure 7 should read 6 and the figure 1 should read 2.

In response to questions raised, Members heard that –

- (d) certification fees were set nationally by the Audit Commission and fees for 2010/11 had been frozen;
- (e) there had been a significant increase in certification work relating to the Housing and Council Tax Benefit Scheme this year and Plymouth was by no means alone in this regard. A number of reasons for this were cited, including

the change in eligibility criteria and increasing workloads.

The Committee noted the Certification Work Report for 2009/10.

68. **EXTERNAL AUDIT - AUDIT PLAN 2010/11**

The City Council's external auditor, Grant Thornton, submitted the Audit Plan for 2010/11. Members welcomed Kate Jefferies, Grant Thornton's Audit Manager for Plymouth, to her first meeting of the Audit Committee.

The Audit Plan sets out the work that Grant Thornton proposed to undertake in relation to the audit of the 2010/11 accounts at the Council. It was based on their risk-based approach to audit planning and their assessment of the potential business and audit risks that need to be addressed by the audit and the controls the Council had put in place to mitigate those risks.

The Plan also provided details of other areas of work to be undertaken, including –

- a review of the Annual Governance Statement
- a review of the Whole of Government Accounts
- forming a view on any electors challenges to the accounts
- Certification of Grant Claims and Returns
- a review of the Council's progress and actions relating to the National Fraud Initiatives
- Value for Money Conclusion

In response to questions raised, Members were advised that –

- (a) the area of work around revaluation of fixed assets was part of a five-year rolling programme and was still under review. The external auditor was happy with the Council's decision to take out trust and academy schools, however, the Audit Commission was now involved and clarification was expected by year end;
- (b) Grant Thornton was also the auditor for Plymouth Primary Care Trust and they would be looking at what mechanisms would be in place to put things in order before they were wound up.

The Committee noted the Audit Plan for 2010/11.

69. **MANAGEMENT OF INFORMATION SECURITY FORUM**

The Committee discussed the merit of taking the item under Part II, to which Councillor Evans objected stating that there may be some elements more suited for consideration in Part II but that did not warrant moving the whole issue. However, in light of the fact that the one Independent Member remaining at meeting had to leave, thus making it inquorate, it was agreed that consideration of the item be deferred to the next meeting.

70. **AUDIT COMMITTEE FORWARD WORK PLAN**

The Committee noted its forward work plan.

71. **EXEMPT BUSINESS**

There were no items of exempt business.

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CITY OF PLYMOUTH

Subject: Strategic Risk Register - Monitoring Report

Committee: Audit Committee

Date: 25 March 2011

Cabinet Member: Councillor Bowyer

CMT Member: Director for Corporate Support

Author: Mike Hocking, Head of Corporate Risk and Insurance

Contact: mike.hocking@plymouth.gov.uk
Tel: 01752 - 304967

Ref: CRM/MJH

Part: I

Executive Summary:

This report provides a summary of the latest formal monitoring exercise completed for the Strategic Risk Register for the period September 2010 to February 2011.

The total number of strategic risks reported has reduced from 34 to 32 with the addition of 1 new risk and the deletion of 3.

Appendix A to the report provides a traffic light summary showing the current status of each risk, the movement in risk scores compared with previous monitoring periods and explanatory commentary on the key issues for each risk.

The report also includes a summary of the results of the Alarm/CIPFA national risk management benchmarking exercise.

Corporate Plan 2010/13 as amended by the four new priorities for the City and Council:

The Strategic Risk Register includes links to Corporate Plan/CIP objectives – monitoring of control action for strategic risks therefore contributes to the delivery of the Council's core objectives.

Implications for Medium Term Financial Plan and Resource Implications:

Including finance, human, IT and land:

None arising specifically from this report but control measures identified in risk registers could have financial or resource implications.

Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment etc.

None arising specifically from this report but community safety and health and safety issues and risks are taken into account in the preparation of risk registers.

Recommendations & Reasons for recommended action:

The Audit Committee is recommended to:

- Note and endorse the current position with regard to the Strategic Risk Register.
-

Alternative options considered and reasons for recommended action:

Effective risk management processes are an essential element of internal control and as such are an important element of good corporate governance. For this reason alternative options are not applicable.

Background papers:

Plymouth City Council Risk Management Strategy and Policy Statement
Strategic Risk Register and associated working papers
Previous reports on risk management to Audit Committee

Sign off:

Fin	SW	Leg	DS	HR		Corp Prop		IT		Strat Proc	
Originating SMT Member: Tim Howes, Asst Director, Democracy & Governance											

**Report of Director for Corporate Support to Audit Committee
25 March 2011**

Strategic Risk Register Monitoring

1. Introduction

- 1.1 The position with regard to the Strategic Risk Register was last reported to this Committee on 24 September 2010 and this report now provides a summary of the latest monitoring exercise covering the position at 28 February 2011.

2. Strategic Risk Register – Monitoring Summary

- 2.1 In accordance with the strategy requirement for twice-yearly monitoring, the latest monitoring exercise was completed in February 2011 with the results discussed and agreed by CMT and Cabinet Planning on 1 March 2011 and 9 March 2011.
- 2.2 Attached to this report at Appendix A is a summary showing the current status of each risk and any movement in risk scores compared with previous monitoring periods together with explanatory commentary on the key issues for each risk.

3. Headline Issues

- 3.1 The net number of strategic risks has reduced from 34 to 32 with the addition of 1 new risk and the deletion of 3.

New Risks

- **Amber Risk 81 – Academy Schools – (Row No. 9)**
- The corporate impact of the Government Academy Programme needs to be assessed to ensure there are sufficient resources to support remaining schools. Those managing services to schools are drafting Service Level Agreements. Finance currently modelling the effect on Local Authority budgets.

Deleted Risks

- **Risk 57 – Performance against Local Area Agreement Targets – (Row No. 33)**
- The Government have now stopped the LAA reward grant.
- **Risk 62 – Use of Resources Framework – (Row No. 34)**
- Following the introduction of a service area responsible for Value for Money and Efficiencies this is no longer deemed a strategic risk.
- **Risk 43 – Risk of exceeding Landfill Allowances – (Row No. 35)**
- This risk has been incorporated within Risk 68 – Failure to reach recycling targets.

3.2 The table below shows the movement in the number of red, amber and green risks over the last four monitoring periods:

Risk Category	No. of Risks - Aug 10	No. of Risks – Feb 11	Deleted Risks Feb 11	New Risks Feb 11
Red	9	6	0	0
Amber	17	17	2	1
Green	8	9	1	0
TOTAL	34	32	3	1

3.3 The summary at Appendix A gives a more detailed commentary on the key issues affecting each risk as at 28 February 2011.

3.4 The headline issues are:-

3.4.1 Risk Scores Unchanged

- **Red Risk 21 - MTFS issues – (Row No. 1)**
- Robust delivery plans have been developed to underpin the 2011/12 Revenue budget and the significant change agenda. As at December 2010 we are still forecasting an end of year overspend which needs to be addressed and we need to ensure robust regular monitoring of Delivery Plan progress.
- **Red Risk 79 - Reduced government grant investment into new affordable housing, renewal and regeneration programmes – (Row No. 2)**
- Soft market testing of sites complete. Framework released by Communities & Local Government on 14th Feb to help evaluate new affordable rent proposals and agree how they could be used to continue development pipeline.
- **Red Risk 49 - Listing of Civic Centre – (Row No. 3)**
- Expressions of interest from developers have now been received following a formal marketing exercise and a number of development options are being considered in the context of the Council's overall Accommodation Strategy.
- **Red Risk 73 – Employee Relations – (Row No. 4)**
- Extensive and meaningful negotiations with trade unions have taken place over a package of proposed changes to staff Terms and Conditions. Trade Unions also continue to be consulted on proposed delivery plans to achieve budget reductions following Government spending cuts.

- **Red Risk 74 - Social Care – Client Management IT Systems (Carefirst) – (Row No. 5)**
 - Significant progress has been made over the last month with the implementation of infrastructure and software to support better management reporting and client facing outputs. A governance structure has been established enabling open discussions to take place and agree what functionality is required.

- **Red Risk 77 – Carbon Reduction Commitment (CRC) Energy Efficiency – (Row No. 6)**
 - The CRC is now a tax rather than a bonus/penalty incentive scheme. The first tax payment is due in April 2012 for carbon emissions during 2011/12. At current carbon emission levels PCC will have to pay around £450,000 in April 2012 - as a worse case scenario. The league table remains as a reputational driver.

- **Amber Risk 46 – Information Governance – (Row No. 7)**
 - Action plan arising from Information Management internal audit report will enable Information Risk Officers from each Directorate to identify risks and co-ordinate mitigating actions in order to manage the overall impact of security incidents and working practices that may compromise the Council. Information Management is now included as a mandatory item on all operational risk registers and the Operational Risk Management Group is developing a common approach to identification and management of the key risks.

- **Amber Risk 72 – Significant pressure of Adult Social Care Budget – (Row No. 10)**
 - The Programme Board continues to regularly monitor budget performance and delivery plans. CQC 09/10 judged ASC as performing well in all 7 Outcomes including Outcome 4 – Increased choice and control i.e. supporting more people to remain at home.

- **Amber Risk 68 – Failure to reach recycling targets and divert waste from landfill – (Row No. 11)**
 - It is estimated that PCC will remain within available allowances for 2010/11 but will need to purchase additional credits for 2011/12 onwards until the new residual waste solution is in place. Landfill Allowance Trading Scheme (LATS) position being monitored and forward purchase strategy to be reviewed for early 2011 following Government waste policy review.

- **Amber Risk 55 – Failure to delivery Waste PFI Procurement for SW Devon Waste Partnership – (Row No. 12)**
 - Procurement completed to programme in December 2010. MVV have engaged early with statutory planning authorities in pre-application enquiries. SWDWP to monitor progress.

3.4.2 Risk Scores Increased

- **Green Risk 30 – Unavailability of ICT – Increased from 9 to 10 (Row No. 24)**
 - The likelihood is lower due to infrastructure improvements, but the impact of losing ICT services as the result of an unplanned event has increased Disaster Recovery Plans being reviewed and mitigation proposals being developed and costed.

3.4.3 Risk Scores Decreased

- **Amber Risk 28 – Increase in the number of looked after children and cost pressures on independent placements – Decreased from 20 to 15 (Row No. 14)**
 - Team managers' management information tool in place. Reviews on all placements are undertaken on a fortnightly basis. These measures are reducing drift and throughput of work from the Advice and Assessment Service. The Project Team are prioritising modelling around future numbers coming into care and considering innovative ways of working to divert children from care and from escalating through the care system.
- **Amber Risk 52 – Delivery of Capital Programme – Decreased from 20 to 15 (Row No. 16)**
 - Capital Delivery Board with Terms of Reference established with greater representation and Board chaired by a Service Director. Good proportion of reps across the board. Dedicated "Capital and Major Projects" Team within Finance structure. Additional training to be rolled out to all Project Officers on Project Management Procedures to incorporate new Governance Procedures.
- **Amber Risk 47 – Concessionary Fares – Decreased from 15 to 12 (Row No. 21)**
 - Reimbursement has been kept within the prescribed budget for 2010/11. A new mechanism has been established for implementation in April 2011 designed to meet obligations for operating companies' reimbursement and meet proposed council budgets. Risk still remains around unknown passenger take up and the volatile fuel cost market.
- **Amber Risk 33 – Capital for Education Infrastructure (formerly Building Schools for the Future) – Decreased from 20 to 12 (Row No. 22)**
 - Funding for 2 Academies has been achieved. A Cabinet paper was presented in October 2010 on the Demographic growth. Basic Need liability defined for Wave 1 schools and incorporated in to the capital programme with Cabinet papers due to be presented in March.
- **Green Risk 60 – Economic downturn affecting treasury management – Decreased from 15 to 9 (Row No. 27)**
 - Significantly reduced the risk of Treasury Management activity since October 2008 through changing our strategy and borrowing and

investment portfolio.

Audit Committee formally oversees Treasury Management Strategy. Revised Strategy formally approved and Audit Committee updated on progress every 6 months. On track to achieve the £600K revenue savings target that was set for Treasury Management in 2010/11.

- **Green Risk 80 – Planning Obligations – Decreased from 12 to 8 (Row No. 29)**
 - Governance arrangements established and reported to Scrutiny in Oct 10. Detailed guidelines issued to planning case officers. Planning Obligations Forum established.

4. ALARM/CIPFA Risk Management Benchmarking Exercise

A briefing note detailing the results of the 2010 Benchmarking Club is attached to this report at Appendix B. Plymouth has achieved an above average score in each of the Sections of the questionnaire when compared to the other 103 club members and this confirms that the Council's Risk Management Framework is relatively mature.

5. Summary and Conclusion

- 5.1** The Council's success in dealing with the risks that it faces can have a major impact on the achievement of key promises, objectives and ultimately, therefore, the level of service to the people of Plymouth.
- 5.2** The movement in risk scores and the consequent changes to the Council's overall strategic risk profile outlined in this latest review provides good evidence of the dynamic nature of the Strategic Risk Register and the maturity of the Council's approach to the identification and management of strategic risk.
- 5.3** The inclusion of risk management considerations is now a key feature in the Council's key corporate processes featuring in the Corporate Plan preparation, the Business Planning Framework, Budget Planning and Monitoring and Performance Management.
- 5.4** Managing Risk is also one of the five core management competencies in the Council's Competency Framework ensuring that the success of managers in managing risk in their area of responsibility is assessed as part of their annual performance appraisal.
- 5.5** This embedded approach now acts as an effective early warning system for the recording, monitoring and management of risks that threaten the delivery of the Council's strategic objectives and plans.
- 5.6** The next formal review of the Strategic Register will take place in August 2011.

6. Recommendation

The Audit Committee is invited to:

- 6.1** Note and endorse the current position with regard to the Strategic Risk Register.

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER TWELVE FEBRUARY 2011 - Summary by Risk Rating

APPENDIX A

Row No.	RISK REF	POTENTIAL RISKS IDENTIFIED	RESIDUAL RISK RATING Aug-09	RESIDUAL RISK RATING Feb-10	RESIDUAL RISK RATING Aug-10	RESIDUAL RISK RATING Feb-11	CURRENT RESIDUAL RISK RATING Feb-11	CHANGE IN RISK RATING	COMMENTS	LEAD OFFICER	RISK CHAMPION
1	21	MTFS issues.	5 *P	5 *P	5 *P	5 *P	5 *P	—	COMMENTS AUG 10: Current economic conditions causing significant budget pressures with reduction in Central Government funding confirmed, compounded by reduced income from car parks, commercial rents and treasury investments. All departments are continuing to develop new delivery plans to address the funding shortfall. Improvement Boards have been instigated to oversee progress. COMMENTS FEB 11: Robust delivery plans have been developed to underpin the 2011/12 Revenue budget and the significant change agenda. As at December 2010 we are still forecasting an end of year overspend which needs to be addressed and we need to ensure robust regular monitoring of Delivery Plan progress.	Malcolm Coe	Angie McSweeney
2	79	Reduced government grant investment into new affordable homes, renewal & regeneration programmes (Ex Reduced Homes and Communities Agency (HCA) investment into new affordable housing and regeneration programmes.)		New	5	5	5	25	COMMENTS AUG 10: Risk of the Council not meeting its affordable housing targets NI 155 and key strategic sites and regeneration priorities not being funded. A Local Investment Plan has been developed to articulate the Council's housing investment requirements, lobbying for funding and making the case for Plymouth. Need to ensure close working with HCA to maintain their confidence in investing in the city. COMMENTS FEB 11: Soft market testing of sites complete. Framework released by Communities & Local Government on 14th Feb to help evaluate new affordable rent proposals and agree how they could be used to continue development pipeline.	Stuart Palmer	Maria Smith
3	49	Listing of Civic Centre	4	4	5	4	5	20	COMMENTS AUG 10: Avanti brief now completed and financial appraisal and analysis undertaken. Preparing documentation for marketing of the building to commence later in 2010. COMMENTS FEB 11: Expressions of interest from developers have now been received following a formal marketing exercise and a number of development options are being considered in the context of the Council's overall Accommodation Strategy.	Andrew Jarrod	Maria Smith
4	73	Employee Relations	New	4	5	4	5	20	COMMENTS AUG 10: Transformational Change Programme may lead to employee relations issues. Trade Unions considering industrial action in response to expected Government spending cuts. COMMENTS FEB 11: Extensive and meaningful negotiations with trade unions have taken place over a package of proposed changes to staff Terms and Conditions. Trade Unions also continue to be consulted on proposed delivery plans to achieve budget reductions following Government spending cuts.	Mark Grimley	Helen Cocks

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER TWELVE FEBRUARY 2011 - Summary by Risk Rating

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Row No.	RISK REF.	POTENTIAL RISKS IDENTIFIED	RESIDUAL RISK RATING Aug-09	RESIDUAL RISK RATING Feb-10	RESIDUAL RISK RATING Aug-10	RESIDUAL RISK RATING Feb-11	CURRENT RESIDUAL RISK RATING Feb-11	CHANGE IN RISK RATING	COMMENTS	LEAD OFFICER	RISK CHAMPION
5	74	Social Care - Client Management IT Systems (Carefirst)	P 1	P 1	P 1	P 1	P 1	—	COMMENTS AUG 10: Significant progress has been made over the last month with the implementation of infrastructure and software to support better management reporting and client facing outputs, approval of the technical design and scheduling of hardware upgrade to support the latest release of the CareFirst software and the recruitment of 7 members of staff to the CareFirst team to support the roll out of the new functionality. process re-engineering is dependent on the work taking place with Charteris but this too is moving forward with more detailed outputs to determine the direction of the CareFirst implementation for ASC by October. Meanwhile, the foundations of the software environment is being established by addressing security and control of the system configuration. More concentrated functional work is being focused on Children's Social Care as per the agreed Programme Plan. COMMENTS FEB 11: Significant progress has been made over the last month with the implementation of infrastructure and software to support better management reporting and client facing outputs. A governance structure has been established enabling open discussions to take place and agree what functionality is required. There are a number of technical risks at present that the teams are working to address.	Ian Gallin	Lynn Clark
6	77	Carbon Reduction Commitment (CRC) Energy Efficiency Scheme	New	New	4	4	5	20	COMMENTS AUG 10: The CRC carries significant financial, reputational and legal compliance risks. Sustainability has risen immensely on the public agenda and poor performance in the CRC league table will make local and national headline news. A working group has been established and a wide range of energy reduction measures have been adopted across council properties and schools. New energy projects need to be identified to ensure on-going CRC scheme performance. COMMENTS FEB 11: The CRC is now a tax rather than a bonus/penalty incentive scheme. The first tax payment is due in April 2012 for carbon emissions during 2011/12. At current carbon emission levels PCC will have to pay around £450,000 in April 2012 - as a worse case scenario. The league table remains as a reputational driver.	Chris Trevitt	Angie McSweeney
7	46	Information Governance (compliance with statutory requirements, information sharing, information security)	4	4	4	4	4	16	COMMENTS AUG 10: Government Connect being developed. Work has started on PCI Data Standards. Secure mobile working being launched. The SIRO is in place. COMMENTS FEB 11: Action plan arising from Information Management internal audit report will enable Information Risk Officers from each Directorate to identify risks and co-ordinate mitigating actions in order to manage the overall impact of security incidents and working practices that may compromise the Council. Information Management now included as a mandatory item on all operational risk registers and the Operational Risk Management Group is developing a common approach to identification and management of the key risks.	Neville Cannon	Richard Woodfield

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Row No.	RISK REF.	POTENTIAL RISKS IDENTIFIED	RESIDUAL RISK RATING				CURRENT RESIDUAL RISK RATING Feb-11	CHANGE IN RISK RATING	COMMENTS	LEAD OFFICER	RISK CHAMPION
			Aug-09	Feb-10	Aug-10	Feb-11					
8	76	Not getting government funding to build Efford Gypsy site	P	P	P	P	16	COMMENTS AUG 10: Options for funding building the site are being explored but are challenging. COMMENTS FEB 11: Exploring options for alternative ways of funding building, discussions with stakeholders and consideration of new government policy	Peter Aley	Lynn Clark	
9	81	Academy Schools	New		New	4	16	COMMENTS FEB 11: The corporate impact of the Government Academy Programme needs to be assessed to ensure there are sufficient resources to support remaining schools. Those managing services to schools are drafting Service Level Agreements and Finance staff are currently modelling the effect on Local Authority budgets.	Gareth Simmons	Abigail Jago	
10	72	Significant pressure on Adult Social Care budget	New	4	4	4	16	COMMENTS AUG 10: The Programme Board continues to regularly monitor budget performance and delivery plans (which are on schedule except for RAS). RAS Pilots in place to be reviewed in September 2010. COMMENTS FEB 11: The Programme Board continues to regularly monitor budget performance and delivery plans. CQC 09/10 judged ASC as performing well in all 7 Outcomes including Outcome 4 – Increased choice and control i.e. supporting more people to remain at home.	Pam Marsden	Lynn Clark	
11	68	Failure to reach recycling targets and divert waste from landfill (EX Failure to implement new initiatives to increase recycling rate, due to budget pressures. Initiatives agreed as part of PFI funding arrangements.)	3	4	4	4	16	COMMENTS AUG 10: The planned initiatives such as garden waste collection expansion has helped the Council meet its OBC 2009/10 recycling target of 29% but have not achieved newer LAA recycling targets. Financial pressures and budget constraints are slowing delivery of identified PFI recycling initiatives which may impact on achievement of future targets. COMMENTS FEB 11: The tonnage of biodegradable waste to landfill fell by around 5,000 tonnes in the first 3 quarters of 2010/11 compared with the same period in 2009/10 and it is estimated that PCC will remain within available allowances for 2010/11 but will need to purchase additional credits for 2011/12 onwards until the new residual waste solution is in place (expected during 2014 subject to contractor and planning). LATS (Landfill Allowance Trading Scheme) position being monitored and forward purchase strategy to be reviewed for early 2011 following Government waste policy review. The expanded garden waste collection service has diverted an additional 790 tonnes from landfill and performance has increased by 2.1% over the first 3 quarters of 2010/11 compared with the same period in 2009/10. The Council remains on course to meet its OBC targets but will not meet the earlier LAA recycling targets. Financial pressures and budget constraints are slowing delivery of identified PFI recycling initiatives which may impact on achievement of future targets.	Jayne Donovan / Mark Turner	Lynn Clark	

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER TWELVE FEBRUARY 2011 - Summary by Risk Rating

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			Aug-09	Feb-10	Aug-10	Feb-11	Aug-10	Feb-11	Aug-10	Feb-11					
12	55	Failure to deliver waste PFI Procurement for SW Devon Waste Partnership (by 2014)	3	5	15	3	5	15	4	4	16	—	COMMENTS AUG 10: Procurement continuing to programme with estimated financial and contract close now accelerated to Mar 2011 subject to Council's and Defra approvals. Budget positions being refreshed. No indication at present that Treasury budget review will affect PFI credit allocation but being monitored. Operational delivery during financial year 2014/15 still possible although depends on which contractor is successful and when planning approval is secured - the latter being independent of partnership. COMMENTS FEB 11: Procurement completed to programme in Dec 10. MVV have engaged early with statutory planning authorities in pre-application enquiries. SWDWP to monitor progress.	Mark Turner	Maria Smith
13	42	Health & Safety Management system	3	5	15	3	5	15	3	5	15	—	COMMENTS AUG 10: Other organisational health & safety issues remain priority so team are preparing business case for external audit resource to undertake audit programme. COMMENTS FEB 11: Audit plan to cover entire system in development, proposal to be complete end of March 11.	Mark Grimley	Helen Cocks
14	28	Increase in the of number of looked after children and cost pressures on Independent Placements.	3	3	9	4	5	20	4	5	20	↗	COMMENTS AUG 10: The numbers and associated costs of children being admitted to care are still too high and action is being taken to reduce drift in childrens placements and develop preventative programmes to divert children from care. COMMENTS FEB 11: Team managers' management information tool in place. Reviews on all placements are undertaken on a fortnightly basis. These measures are reducing drift and throughput of work from the Advice and Assessment Service. The Project Team are prioritising modelling around future numbers coming into care and considering innovative ways of working to divert children from care and from escalating through the care system. We are now seeing numbers of children in care beginning to reduce with plans to reduce further over the coming year to bring us in line with statistical neighbour averages.	Mairead MacNeill	Abigail Jago
15	59	Financial Risk associated with contaminated land	3	5	15	3	5	15	3	5	15	—	COMMENTS AUG 10: ICT installed software. Staff trained and 1st prioritisation list produced. Inspections on-going. COMMENTS FEB 11: Inspections on going based on highest priority sites.	Layne Donovan / Robin Carton	Lynn Clark

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER TWELVE FEBRUARY 2011 - Summary by Risk Rating

Row No.	RISK REF.	POTENTIAL RISKS IDENTIFIED	RESIDUAL RISK RATING Aug-09	RESIDUAL RISK RATING Feb-10	RESIDUAL RISK RATING Aug-10	RESIDUAL RISK RATING Feb-11	CURRENT RESIDUAL RISK RATING Feb-11	CHANGE IN RISK RATING	COMMENTS	LEAD OFFICER	RISK CHAMPION
16	52	Delivery of Capital Programme	5 P	4 P	4 P	5 P	3 I	5 15	<p>COMMENTS AUG 10: The Council has an ambitious growth agenda. However, Central Govt. Capital Grant funding has reduced whilst RDA and other grants are also reducing eg. £900,000 reduced from Transport capital allocation and approx £70 million from the BSF programme, which has now ceased altogether. There is also considerable uncertainty around potential capital receipts. Funding of the capital investment programme therefore continues to be risk assessed and closely monitored with schemes carefully prioritised against resources available. Remains a high risk as long as the uncertainty over future funding continues. COMMENTS FEB 11: Capital Delivery Board with Terms of Reference established with greater representation and Board chaired by a Service Director. Good proportion of reps across the board. Dedicated "Capital and Major Projects" Team within Finance structure. Additional training to be rolled out to all Project Officers on Project Management Procedures to incorporate new Governance Procedures.</p>	Malcolm Coe	Angie McSweeney
17	67	Violent extremism	3 5 15	3 5 15	3 5 15	3 5 15	3 5 15	—	<p>COMMENTS AUG 10: Our response to the Counter Terrorism Local Profile and a "Prevent" Action Plan are key work against this risk. The Plan is agreed and resourced for 2010/11 and being performance managed with partners. COMMENTS FEB 11: Action plan broadly on target. Work in this area will be reviewed after the outcome of the government's review of Prevent is known.</p>	Peter Aley	Lynn Clark
18	36	Management of Employee Stress	3 5 15	3 5 15	3 5 15	3 5 15	3 5 15	—	<p>COMMENTS AUG 10: Risk assessment process completed, currently undertaking full review of outcomes in order to identify what action is required. COMMENTS FEB 11: Review individual service area action plans.</p>	Mark Grimley	Helen Cocks
19	24	Violence to staff/one working.	3 5 15	3 5 15	3 5 15	3 5 15	3 5 15	—	<p>COMMENTS AUG 10: PVP policy being developed and discussed with Trade Unions. COMMENTS FEB 11: PVP policy consultation concluded and ICT design being finalised. Awaiting funding decision by CMT.</p>	Mark Grimley	Helen Cocks
20	51	Failure to deliver sustained and accelerated economic and population growth.	3 5 15	3 5 15	3 5 15	3 5 15	3 5 15	—	<p>COMMENTS AUG 10: Programme Boards established, project teams allocated. Review of major schemes for sustainable transport growth. COMMENTS FEB 11: LDF programme in place and being actively implemented. Action plans for each theme being reviewed and implemented and monitored by Plymouth Growth Board. Risk of shortage of funding due to Government changes in funding policies for major schemes which could impact on infrastructure in place.</p>	David Draifan	Maria Smith

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER TWELVE FEBRUARY 2011 - Summary by Risk Rating

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Row No.	RISK REF.	POTENTIAL RISKS IDENTIFIED	RESIDUAL RISK RATING					CURRENT RESIDUAL RISK RATING Feb-11	CHANGE IN RISK RATING	COMMENTS	LEAD OFFICER	RISK CHAMPION				
			Aug-09	Feb-10	Aug-10	Feb-11	Aug-11									
21	47	Concessionary Fares	3	5	15	3	5	15	3	4	12	↗	COMMENTS AUG 10: Work has been undertaken with Internal Audit to improve systems, reduce the potential for fraud and poor data management that could impact negatively on the Council. Additionally the Council are working with the Operating Companies move to Smart Ticketing which is a more robust means of delivering the concessionary scheme. Initial analysis for 2010/11 is showing a reduction in scheme costs, which is being further investigated to verify end year position. COMMENTS FEB 11: Reimbursement has been kept within the prescribed budget for 2010/11. A new reimbursement mechanism has been established for implementation April 2011 designed to meet obligations for operating company's reimbursement and meet proposed Council budgets.	Clive Perkin	Maria Smith	
22	33	Capital for Education Infrastructure (Formerly Building schools for the future (BSF) programme (formerly Schools re-organisation.)	2	3	6	2	3	6	2	3	4	12	↗	COMMENTS AUG 10: The government has withdrawn the BSF programme and is consulting on a review of how capital is allocated to schools. This could mean that the valuable source of capital investment that has supported the Council's reorganisational agenda will be redirected to other properties. The authority still holds the liability for school buildings which represents more than half of the councils asset stock. COMMENTS FEB 11: Funding for 2 Academies has been achieved. A Cabinet paper was presented in October 2010 on the Demographic growth. Basic Need liability defined for Wave 1 schools and incorporated in to the capital programme with Cabinet papers due to be presented in March.	Gareth Simmons	Abigail Jago
23	54	Data Quality Management/Providing inaccurate information	3	4	12	3	4	12	3	4	12	—	COMMENTS AUG 10: An action plan to address 2010 Internal Audit report recommendations has been drawn up. A list of data and delivery leads has been compiled. Role profiles to be amended to reflect new accountabilities. COMMENTS FEB 11: There has been no further progress in addressing this risk.	Giles Peritt	Adam Fleet / Mohamed Mughanzi	
24	30	Unavailability of ICT	3	3	9	3	3	9	3	2	5	10	↘	COMMENTS AUG 10: Configuration changes made to cabinets in the computer room to improve recovery time after a failure. Following Cabinet approval planning has started for the new data centre. Increased resilience will be achieved with new equipment planned as part of the changes to the data centre. COMMENTS FEB 11: The likelihood is lower due to infrastructure improvements, but the impact of losing ICT services as the result of an unplanned event has increased. Disaster Recovery Plans being reviewed and mitigation proposals being developed and costed.	Neville Cammon	Richard Woodfield

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER TWELVE FEBRUARY 2011 - Summary by Risk Rating

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			Aug-09	Feb-10	Aug-10	Feb-11										
25	14	Fraud	2	5	10	2	5	10	2	5	10	—	COMMENTS AUG 10: Whistle-blowing policy reviewed, updated and approved by Audit Committee in June 2010. Internal Audit working with departments to review data coming out of National Fraud Initiative and close scrutiny will continue in the light of the economic climate and expected public sector cuts which may increase the propensity for fraud. COMMENTS FEB 11: The National Fraud Initiative matches are back from the Audit Commission following data extracts submitted in October. Devon Audit Partnership have been in contact with departments to discuss how they are going to investigate the matches and the timescales. Where an investigation has identified control weaknesses, further work will be timetabled and monitored.	Malcolm Coe	Mike Hocking	
26	08	Business continuity planning in line with Civil Contingencies Act 2004 statutory responsibilities.	2	5	10	2	5	10	2	5	10	—	COMMENTS AUG 10: Corporate Incident Management Plan implemented. Mainframe software and data backed up and stored off-site. All critical business activities have Departmental Recovery Plans in place. COMMENTS FEB 11: Business Continuity embedded across organisation and all plans subject to sign off by Assistant Directors and Heads of Service.	Giles Peritt	Adam Fleet / Scott Senior	
27	60	Economic downturn affecting treasury management.	3	5	15	3	5	15	3	3	9	↗	COMMENTS AUG 10: Revised our Borrowing and Investment Strategy, which has been approved by Audit Committee. Started to make revenue savings ie. received back £34 million debt from Devon County Council. DCLG approval for a Capitalisation Direction to enable any losses from Icelandic Bank investments to be spread over 10-20 years. COMMENTS FEB 11: Significantly reduced the risk of Treasury Management activity since October 2008 through changing our strategy and borrowing and investment portfolio. Audit Committee formally oversees Treasury Management Strategy. Revised Strategy formally approved and Audit Committee updated on progress every 6 months. On track to achieve the £600K revenue savings target that was set for Treasury Management in 2010/11.	Malcolm Coe	Angie McSweeney	
28	44	Financial & liability implications of Members & Officers serving on Outside Bodies.	3	3	9	3	3	9	3	3	9	—	COMMENTS AUG 10: Draft report has been further delayed but will go to Council in October 2010. COMMENTS FEB 11: Draft report further delayed as it did not go to Council in October 2010 as planned.	Tim Howes	Rosie Clahane	
29	60	Planning Obligations - implications of new legal framework and current economic circumstances.				New				2	4	8	↗	COMMENTS AUG 10: Reduced levels of funding secured for infrastructure needs. Greater risk for individual projects which have high degree of reliance on planning obligation monies. Potential for legal challenge to planning permissions. Planning Obligations Forum established and governance arrangements under development. COMMENTS FEB 11: Governance arrangements established and reported to Scrutiny in Oct 10. Detailed guidelines issued to planning case officers. Planning Obligations Forum established.	Paul Barnard	Maria Smith

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**Briefing Note to Director for Corporate Support
11 February 2011
Alarm/CIPFA Risk Management Benchmarking Club 2010**

Background

The Council joined the above Benchmarking Club in April 2010 in order to test our performance in risk management against the major standards, expectations of inspection bodies and criteria that inform the governance statement and for use as a risk management performance improvement tool.

The Benchmarking Club was initially conceived by an Alarm Special Interest Group, comprising of professional, practising risk managers and developed into its final version in collaboration with risk management consultants, Det Norske Veritas (DNV). The model is based on Alarm's National Performance Model for Risk Management in Public Services.

The questionnaire was completed by the Head of Corporate Risk & Insurance and certain questions were also circulated to specific officers where they related to their own area of responsibility. Councillor Bowyer and the Director for Corporate Support, as the Member and Officer Risk Champions, were also consulted and Risk Champions were asked to circulate the questionnaire to their Management Teams in order to gain a wider perspective to certain questions.

Alarm issued an All Members Report in January 2011 following receipt of all the responses and this compares the Council's score with 103 other club members within the public sector as well as a smaller "Comparator" group of 19 similar sized authorities.

Questionnaire

The questionnaire comprised of 117 questions in total split into 7 sections which are listed in the results table below. The answers were then weighted to reflect their relative impact on performance and collated into a final score for each section based on the maturity level guide below:-

Plymouth's Results

Section Heading "Enablers"	Score %	Level
Leadership and management	87	Driving
Strategy and Policy	75	Embedded & Integrated
People	83	Driving
Partnership, shared risks and resources	65	Embedded & Integrated
Processes and tools	85	Driving
Section Heading "Results"	Score %	Level
Risk handling and assurance	78	Driving
Outcomes and delivery	68	Embedded & Integrated

Maturity Level	Enablers	Results
Engaging	<10%	<10%
Happening	10 – 30%	10 – 25%
Working	30 – 55%	25 – 50%
Embedded & Integrated	55 – 80%	50 – 75%
Driving	80%+	75%+

Plymouth scored 77% overall and ranked 7th when compared to the other 18 “Comparator” authorities. See attached comparator list.

Maturity Levels

The Benchmarking Club provide a description for the maturity level reached for each section and these are listed below:-

Leadership & Management - Driving

Senior management uses consideration of risk to drive excellence through the business, with strong support and rewards for well managed risk-taking.

Policy & Strategy – Embedded & Integrated

Risk handling is an inherent feature of policy and strategy making processes. Risk management system is benchmarked and best practices identified and shared across the organisation.

People – Driving

All staff are empowered to be responsible for risk management. The organisation has a good record of innovation and well-managed risk taking. Absence of a blame culture.

Partnership & Resources – Embedded & Integrated

Sound governance arrangements are established. Partners support one another’s risk management capacity and capability.

Processes – Driving

Management of risk and uncertainty is well-integrated with all key business processes and shown to be a key driver in business success.

Risk Handling & Assurance - Driving

Clear evidence that risks are being effectively managed throughout the organisation. Considered risk taking is part of the organisational culture.

Outcomes & Delivery – Embedded & Integrated

Clear evidence of significantly improved delivery of relevant outcomes and evidence of positive and sustained improvement.

Conclusion

In comparison with the 103 other club members, Plymouth has achieved an above average score in each of the Sections and this would suggest that the Council's Risk Management Framework is relatively mature. The results highlight good progress in the following areas:-

- Clear and effective sponsorship of risk management by senior management and elected members
- Well defined and current risk management strategy which includes clearly defined roles and responsibilities
- Ongoing efforts to integrate risk management with other key systems such as business planning and core competencies framework.
- Effective risk management governance in key projects such as the Life Centre
- Effective communication about risk management such as the staffroom page on the intranet

In conjunction with the benchmarking exercise, an independent review of our risk management framework has also been undertaken by our Risk Management & Insurance advisers, Heath Lambert who presented their report to Audit Committee on 21 January. The findings of this independent review reflect the self assessment undertaken by the council in this benchmarking exercise. Areas for further development highlighted in the Heath Lambert report include:-

- Formal training approach to be identified to include project risk, business planning and performance management
- Risk Champion guidance and training to be refreshed
- Expanded reporting framework to include horizon scanning for new and emerging risks, business continuity plans, health & safety and information governance.
- Governance and risk management of partnerships to be aligned (subject to ongoing management action).

The findings of the benchmarking exercise and Health Lambert's review will form the basis of a Risk Management Improvement Plan designed to further enhance and embed risk management across the authority.

Julie Hosking
Risk Management & Insurance Officer

ALARM/CIPFA 2010 BENCHMARKING
CLUB
Summary Data - Comparator Authorities

	Authority	Leadership & Management	Policy & Strategy	People	Partnership & Resources	Processes	Risk Handling & Assurance	Outcomes & Delivery	Average Score %
1	Rotherham	90	87	91	95	88	89	96	91
2	Hackney	86	95	86	86	86	78	88	86
2	Darlington	92	81	87	81	86	82	93	86
3	Wakefield	93	90	82	84	91	70	57	81
4	Knowsley	89	71	79	87	84	71	78	80
5	Liverpool	83	98	80	68	85	71	67	79
6	Sandwell	85	85	78	70	80	72	77	78
7	Plymouth	87	75	83	65	85	78	68	77
8	Trafford	86	72	76	71	75	82	67	76
9	Reading	81	75	61	59	76	68	43	66
10	Barnsley	77	86	68	48	69	50	55	65
11	Leeds	83	54	67	56	61	50	65	62
12	Haringey	71	66	60	64	64	54	36	59
13	Bristol	73	69	53	48	64	58	40	58
14	Isle of Wight	65	35	68	57	70	52	41	55
15	Bolton	70	30	81	48	55	60	17	52
16	Warrington	58	33	66	52	66	29	52	51
17	Wolverhampton	63	74	36	56	50	34	36	50
18	Leicester	28	39	25	25	29	26	16	27

Audit Committee

25 March 2011

Managing Risk

Services for Children and Young People

1. How we manage risk

Risk management is actively undertaken within four service divisions:

- Lifelong Learning
- Commissioning, Policy and Performance
- Learner and Family Support
- Children's Social Care

There is a high level of senior management commitment to the monitoring and management of Operational Risks within the Department.

The senior management team within each division, comprising of service managers and the Assistant Director, undertakes quarterly monitoring of existing risks (documented within the operational risk register) including a review of risk levels, and are also asked to identify new risks, threats and opportunities which may affect the ability to deliver essential services to our customers. New risks / threats are often identified by staff within the service who will then discuss this with their service manager and/or risk champion e.g. impact on the removal of schools lunch grant.

The process of identifying and managing risk is currently supported by the Policy and Planning team (Risk Champion). The risk champion coordinates the development of the operational risk register in collaboration with the relevant service managers and Assistant Directors, and attends the Operational Risk Management Group meetings.

The risk management process is overseen and signed off by the Director of Services for Children and Young People via bi-annual Departmental Management Team meetings.

2. Embedding risk management within business planning

Services for Children and Young People identifies and responds to risks, threats and opportunities through its business planning and delivery processes, as the following illustrates:

Statutory functions

The four divisions across Services for Children and Young People elevate risk as and when its ability to meet statutory requirements may be threatened. Action plans are then incorporated into business planning to address the issue and/or to mitigate impact. For example,

- **CSC 1 – Dramatic increase in cases and those subject to protection plans (Amber Score 16):** This risk was introduced at a time of extensive coverage of the Baby P case and a significant increase in referrals to the children's social care advice and assessment service. This had a knock on effect to frontline social care teams, and as such a range of actions and diversion projects across the Service have been delivered to relieve pressure points and manage this risk within Children's Social Care.
- **LFS 6 – Insufficient support arrangements for children with autistic spectrum disorder (Amber Score 15):** This was introduced as numbers in Plymouth of children with a Statement of Special Educational Need increased and consequently the ratio of specialist support to pupils also increased. Work is progressing to manage this risk and a multi agency early identification and planning pathway is underway.

Children and Young People's Plan 2011-14 – Services for Children and Young People is a key delivery partner of the CYPP, as part of its role within the Plymouth Children and Young People's Trust. This plan provides the platform to identify the priority partnership work to improve outcomes for children, young people and families. The nature of partnership or multi agency work presents multiple opportunities as well as threats and risks which need to be carefully managed if high quality services are to be delivered accordingly. An example of an identified partnership risk is as follows:

- **CPP5 – Implementation of Common Assessment Framework and Lead Professional after grant funding ceases (Green Score 8):** The dedicated CAF post is having a clear impact on working practices across the Children and Young People's Trust and the number of referrals for Children's Social Care. Ongoing funding has been agreed for post and the rollout and quality assurance of CAFs is continuing to ensure process is embedded within agencies.

Individual service risks

In addition to risks identified during business planning, individual service areas are also aware of and use the risk management fund as and when appropriate to resolve low level risks.

For additional information about managing risk within Services for Children and Young People, please contact Candice Sainsbury, Policy and Planning Manager, Tel: 01752 307387.

Overview prepared March 2011.



Our Ref BM/KJ/PCC 03.11/1

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14 March 2011

Dear Adam

ANNUAL AUDIT FEE 2011-12

I am writing to confirm the audit work that we propose to undertake for the 2011-12 financial year at Plymouth City Council (the Council) and the associated fee. This is based on the Audit Commission's work programme and scale of fees for 2011-12 published in February 2011.

As in previous years, the Audit Commission publishes its work programme and scale of fees on a national basis. However, for 2011-12, instead of providing a scale fee with fixed and variable elements, it has published the scale fee for each local government organisation. The fee for the Council has been determined as £302,380 (exclusive of VAT). This is based on the proposed 2010-11 fee adjusted to provide a reduction in scale fees of 10% for unitary councils to reflect:

- no inflationary increase in 2011-12 for audit and inspection scales of fees and the hourly rate for certifying claims and returns;
- a reduction in scale fees resulting from the new approach to local value for money audit work; and
- a reduction in scale audit fees of 3% for local authorities reflecting lower ongoing costs after implementing IFRS.

Audit fee summary

Audit area	Proposed fee 2011-12	Agreed fee 2010-11	Actual fee 2009-10
Financial statements and value for money conclusion	£302,380	£335,978	£319,441
Certification of claims and returns (estimate)	£50,000	£55,000	£49,031

In its communication to audited bodies on 25 February 2011, the Audit Commission indicated that additional rebates will be made in 2011-12, leading to a further fee reduction compared to 2010-11. It is expected that the Council will be notified of the amount due to them in the summer.

Chartered Accountants

Member firm within Grant Thornton International Ltd
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 A list of members is available from our registered office.

Grant Thornton UK LLP is authorised and regulated by the Financial Services Authority for investment business.

As we have not yet completed our audit for 2010-11, the audit planning process for 2011-12 will continue as the year progresses and fees will be reviewed and updated as necessary, with the approval of the Audit Commission. A separate plan for the audit of the financial statements will be issued in late 2011, once the outcomes of the 2010-11 audit are known.

Our value for money work will be based upon two reporting criteria specified by the Audit Commission, about the Council's arrangements for:

- securing financial resilience; and
- prioritising resources within tighter budgets.

This work will be underpinned by a robust risk assessment to ensure that we focus on those areas where we need specific assurance in order to give our value for money conclusion or where arrangements at the Council need to be strengthened.

The quoted fee for certification of grant claims and returns is an estimate based upon our previous experience and knowledge of forthcoming developments or changes in requirements. The fee charged is based on the prescribed rates set out in the Audit Commission proposed work programme and scales of fees 2011-12. These rates have not increased over the level prescribed for 2010-11.

If we need to make any significant amendments to the audit fee during the course of the audit, we will first discuss this with the Head of Finance and then prepare a report outlining the reasons why the fee has changed for discussion with the Audit Committee.

We will issue a number of reports relating to our work over the course of the audit. These are listed at Appendix 1.

The proposed fee excludes any work that may be requested by you that we agree to undertake using our advice and assistance powers. Each piece of work will be separately negotiated and a detailed project specification agreed with you.

The contact details for key members of the audit team for 2011-12 are:

Engagement Lead Barrie Morris 0117 305 7708

Audit Manager Kate Jefferies 0117 305 7678

We are committed to providing you with a high quality service. If you are in any way dissatisfied, or would like to discuss how we can improve our service, please contact me in the first instance. Alternatively, you may wish to contact the Head of Government Audit, Sarah Howard at sarah.howard@uk.gt.com.

Yours sincerely

Barrie Morris
Director and Engagement Lead
For Grant Thornton UK LLP

T 0117 305 7708
F 0117 305 7784
E barrie.morris@uk.gt.com

Appendix 1: Planned outputs

Our reports will be discussed and agreed with the appropriate officers before being issued to the Audit Committee.

Table 1

Planned output	Indicative date
Annual audit fee letter	March 2011
Audit plan	December 2011
Audit approach memorandum	April 2012
ISA260 report to those charged with governance	September 2012
Auditor's report giving the opinion on the financial statements and value for money conclusion	September 2012
Value for money conclusion report	September 2012
Annual audit letter	November 2012
Certification work report	December 2012

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CITY OF PLYMOUTH

Subject: Internal Audit Plan 2011/12
Committee: Audit Committee
Date: 25th March 2011
Cabinet Member: Cllr Bowyer
CMT Member: Director for Corporate Support
Author: Sue Watts, Asst Head of Devon Audit Partnership
Contact: Tel: (01752 (30) 6710
Email: sue.watts@devonaudit.gov.uk
Ref: AUD/SW
Part: I

Executive Summary:

This report provides information on the legislative requirement for local authorities to provide an Internal Audit (IA) service in accordance with the Accounts and Audit Regulations 2006; the need for an annual risk-based IA plan to be prepared; and the methodology of identifying the audit needs for the Authority.

The report comments on the delivery of the Council's Internal Audit provision by Devon Audit Partnership (DAP) which is a shared service arrangement between Plymouth City, Torbay and Devon County Councils and which commenced on 1st April 2009.

This report comments on IA resources available to carry out the 2011/12 plan, and identifies the work to be carried out analysed between systems / procurement reviews, IT audits, school's reviews, anti-fraud work, consultancy, corporate governance, contingency and other chargeable work. The report also contains details of the specific audit reviews to be undertaken.

Corporate Plan 2010-2013 as amended by the four new priorities for the City & Council

The work of the Internal Audit assists the Authority in maintaining high standards of public accountability and probity in the use of public funds. The Service has a role in promoting high standards of service planning, internal control, performance monitoring and review throughout the organisation, together with ensuring compliance with the Council's statutory obligations. In addition, the delivery of the Internal Audit plan assists all directorates in meeting their Improvement Priorities and achieving the shared priorities for the City and the Council.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land**

None

Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment etc.

The work of Internal Audit is an intrinsic element of the Council's overall corporate governance, risk management and internal control framework.

Recommendations and Reasons for recommended action:

It is recommended that:

1. The report be noted
 2. The proposed Internal Audit Plan for 2011/12 at Appendices 1 and 2 be approved.
-

Alternative options considered and reasons for recommended action:

The Accounts and Audit Regulations 2003 and 2006 require that the Authority maintains an adequate and effective system of internal audit and the annual audit plan sets out the Authority's intentions and commitment in this respect. No alternatives have, therefore, been considered.

Background papers:

Accounts and Audit Regulations 2003 and 2006

Sign off: comment must be sought from those whose area of responsibility may be affected by the decision, as follows (insert initials of Finance and Legal reps, and of Heads of HR, Corp Prop, IT and Strat. Proc.):

Fin	MC 10/3/ 11	Leg		HR		Corp Prop		IT		Strat Proc	
Originating SMT Member: Asst Head Devon Audit Partnership											

INTERNAL AUDIT SERVICE – ANNUAL AUDIT PLAN 2011/12

1. INTRODUCTION

- 1.1 All principal Local Authorities, including Plymouth City Council, are subject to the Accounts and Audit Regulations 2003 (as amended), and the Accounts and Audit Regulations 2006, which require that the Authority should make provision for Internal Audit in accordance with the CIPFA Code of Practice for Internal Audit in Local Government (the Code).
- 1.2 The Code requires, inter alia, that Internal Audit should prepare an annual risk-based plan for approval by the Audit Committee. In addition the Code requires that the Chief Internal Auditor should provide, annually, an opinion on the overall adequacy and effectiveness of the Council's internal control environment.
- 1.3 This audit plan has been drawn up, therefore, to enable an opinion to be provided at the end of the year in accordance with the above requirements.

2. AUDIT NEEDS ASSESSMENT

- 2.1 The audit plan for 2011/12 plan has been identified by:
 - Adopting a risk based priority audit planning tool to identify those areas where audit resources can be most usefully targeted. This involves scoring a range of systems, services and functions across the whole Authority, known as the "Audit Universe" using a number of factors/criteria. The final score, or risk factor for each area, together with a priority ranking, then determines an initial schedule of priorities for audit attention;
 - Discussions and liaison with Directors and Senior Officers regarding the risks which threaten the achievement of corporate or service objectives, including the introduction of new systems and corporate initiatives;
 - Taking into account results of previous internal audit reviews;
 - Taking into account Internal Audit's knowledge and experience of the risks facing the Authority, including factors and systems that are key to successful achievement of the Council's delivery plans;
 - Requirements to meet the "managed audit" approach with the external auditors;
 - Consideration of risks identified in the Authority's strategic and operational risk registers.

The resultant Internal Audit Plan for 2011/12 is set out in Appendices 1 and 2.

3. INTERNAL AUDIT PARTNERSHIP

- 3.1 Since 1st April 2009 the Internal Audit Service for Plymouth City Council has been delivered by the Devon Audit Partnership (DAP). This is a shared service

arrangement between Plymouth City, Devon County and Torbay Councils and is constituted under section 20 of the Local Government Act 2000.

- 3.2 Although delivery of each authority's audit requirements is resourced by DAP, each authority's audit plan for 2011/12 has been prepared individually as hitherto.

4. INTERNAL AUDIT RESOURCES

- 4.1 Based upon our detailed risk assessment process we consider that 1,974 days of internal audit input will be required for Plymouth City Council in 2011/12.
- 4.2 In order to provide a cost-effective service and good value for money to all of our clients it is important that emphasis is given to minimising costs, particularly overheads, and maximising the efficiency and effectiveness of the audit processes. There is regular monitoring and management review of performance within the team over the year and we participate in the annual CIPFA benchmarking comparisons with other Internal Audit functions to demonstrate that Devon Audit Partnership provides a cost-effective service.

5. PLANNED AUDIT COVERAGE 2011/12

- 5.1 Appendix 1 shows a summary of planned audit coverage for 2011/12 totalling 1,974 direct days. A more detailed analysis of proposed audit reviews is provided in Appendix 2. It should be borne in mind that, in accordance with CIPFA's Code of Practice for Internal Audit, the plan needs to be flexible to be able to reflect and respond to the changing risks and priorities of the Authority and, to this end, it will be regularly reviewed with directorates, and updated as necessary, to ensure it remains valid and appropriate.
- 5.2 Detailed terms of reference will be drawn up and agreed with management prior to the start of each assignment – in this way we can ensure that the key risks to the operation or function are considered during our review. The following paragraphs give a brief overview of the focus of proposed audit coverage for the year:-

Systems / Procurement / Cross Cutting Reviews

- 5.3 A key element of the IA Plan for the year is to undertake reviews of the Authority's material systems. The International Standards for Auditing (ISA) require that an annual review is carried out of the effectiveness of controls for each of the Council's systems from which the balances and disclosures in the Authority's accounts are derived. Under the Managed Audit arrangements, the External Auditor looks to place reliance on the work undertaken by Internal Audit to assist them in determining their opinion as to whether or not the annual accounts provide a true and fair view of the Council's financial position. This framework for co-operation helps to lessen the disruption to staff in the service areas and minimises the external audit fee.

- 5.4 We shall also review other areas that are assessed as posing a risk to the Council and these include eg Data Quality and Data Security, Delivery of the Capital Programme and Policy and Procurement arrangements.
- 5.5 The IA plan also links with the Council's delivery plans which describe how the organisation must transform in order to maximise outcomes whilst delivering the necessary budget reductions eg Corporate Debt Management.
- 5.6 At the end of the year there will always be part of our work that is "work in progress" – this may require testing to be completed, the working papers to be reviewed by audit management, or the draft / final report to be agreed with management. Time has been allocated to ensure that all planned audits in 2010/11 can be completed to the expected standard.

ICT Audit

- 5.7 The Authority relies on a range of information systems to deliver its diverse and complex business needs. ICT will also be instrumental in delivering significant parts of the proposed Council wide change programme. The ICT audits included in the 2011/12 audit plan have been prioritised using the same risk analysis methodology as the rest of the audit plan and accordingly reflects areas that appear in the strategic and operational risk registers. The proposed plan of activity includes reviews of key business applications and ICT operational processes that support ongoing service delivery and service design and transition to meet future demands.

Anti Fraud

- 5.8 Counter-fraud arrangements are a high priority for the Council and Internal Audit will continue to investigate instances of potential fraud and irregularities referred to it by managers, and will also carry out pro-active anti-fraud and corruption testing of systems considered to be most at risk to fraud.
- 5.9 The Audit Commission runs a national data matching exercise (National Fraud Initiative) every two years. During the coming year, Internal Audit will co-ordinate the departmental investigation of potentially fraudulent matches which have been identified by the Audit Commission during the 2010 matching exercise.
- 5.10 In addition, Internal Audit will work with relevant departments to ensure that data sets for Council Tax and Electoral Roll are extracted from the appropriate Council systems as required by the Audit Commission, in accordance with their data specifications. These are due to be uploaded to the NFI web application in October 2011.

Consultancy / Advice

- 5.11 Internal Audit will continue to be consulted by all departments throughout the Authority on many and varied topics including, for example, interpretation of Financial Regulations/Standing Orders, corporate governance, internal controls, legislation (e.g. Data Protection), security, letting of contracts, PC/network access etc. The pro-active involvement of Internal Audit in risk and control issues, relating to new systems and changes, assists in protecting the Authority from loss, fraud and abuse.

Corporate Governance

- 5.12 Over recent years Internal Audit has become increasingly involved in several corporate governance and strategic issues, and this involvement is anticipated to continue during 2011/12, eg Audit Committee, Annual Governance Statement and, following the demise of the CAA, Devon Audit Partnership has been asked to provide an annual health check of the Council's Local Performance Framework which will focus on the four new priorities of Growth, Aspiration, Inequality and Value for Communities.

External Clients - Schools Audits

- 5.13 The Financial Management Standard in Schools (FMSiS) has now been abolished by the new Government to be replaced by a simpler scheme in the summer of 2011. Audit of the control and governance arrangements within schools will continue to be carried out on a three year cyclical basis and all the key elements that were in FMSiS, and which were formerly audited by us, will continue to be covered. Our work programmes for 2010 -11 were re-written to incorporate elements of FMSiS not formerly reviewed, notably, benchmarking and governor competencies, which the DfE still consider to be best practice.
- 5.14 The Government's drive to encourage schools to become academies is firmly in place and, to date, 12 schools have become (or are just about to become) academies and leave the LA control. Because there is no requirement for academy schools to have internal audit this represents, potentially, lost business to DAP. We are in the process of advertising and bidding for "responsible officer" work with the academies and, although we have had no success with Plymouth schools to date, we do have agreements in place with some Devon Schools. Non-academy schools (still within LA control) are currently choosing their options for the coming years' services and we anticipate, based on previous experience, a high level of take-up from the remaining schools.
- 5.15 All the above means that there is considerable uncertainty over the amount of input that will be commissioned from Plymouth schools from the Devon Audit Partnership. Based on our current understanding we expect that we will provide in the region of 210 days – however this will be subject to ongoing change to meet individual school needs.

6. PARTNERSHIP WORKING WITH OTHER AUDITORS

- 6.1 We will continue to work towards the development of effective partnership working arrangements between ourselves and other audit agencies where appropriate and beneficial. We will participate in a range of internal audit networks, both locally and nationally, which provide for a beneficial exchange of information and practices. This often improves the effectiveness and efficiency of the audit process, through avoidance of instances of “re-inventing the wheel” in new areas of work which have been covered in other authorities.

7. RECOMMENDATIONS

- 7.1 It is recommended that:-

- (i) The report be noted
- (ii) The proposed Internal Audit plan for 2011/12 at Appendices 1 and 2 be approved



APPENDIX 1

INTERNAL AUDIT

SUMMARY WORK PROGRAMME 2011/12

	TOTAL DAYS	%
Systems / Procurement / Cross Cutting	948	48
ICT	176	9
Anti-fraud / NFI	250	12
Consultancy / Advice	90	5
Corporate Governance	90	5
Contingency	100	5
Other Chargeable Activities	110	6
External Clients – Schools	210	10
Total Audit Days	1974	100

Plymouth City Council Detailed Plan

Please note that subject areas are subject to change as new initiatives and / or risks emerge.

System/Procurement/Cross Cutting Reviews

System	System Priority
<u>Material Systems</u>	
Housing Benefits	Must Do
Creditors	Must Do
Main Accounting System	Must Do
Payroll	Must Do
Council Tax	Must Do
Loans & Investments	Must Do
Capital Accounting (Asset Register)	Must Do
NNDR	Must Do
Debtors	Must Do
Cash Collection	Must Do
Supporting People	Must Do
CareFirst - Non Residential Services Billing (NSIBS)	Must Do
CareFirst - Fostering	Must Do
SPOC Team - Access Controls	Must Do
Revenues & Benefits System Parameters	Must Do
CareFirst Res Care Payments 10/11 Follow-Up	Must Do
CareFirst Care Leavers 10/11 Follow-Up	Must Do
<u>Other Systems - Development and Regeneration Directorate</u>	
Plymouth Market	High
Sec 106	Medium
PCH Monitoring	Medium
Planning Applications and Appeals	Medium
Blue Badges	Medium
PCH Monitoring 10/11 Follow-Up	Must Do
<u>Other Systems - Corporate Support</u>	
Corporate Debt Management	Medium
Payroll System Procurement & Transfer from SAP	High
Capital Programme - Delivery	High
Housing Benefits	High
Capital Programme 10/11 Follow-Up	Must Do
CRB 10/11 Follow-Up	Must Do

Other Systems - Community Services Directorate	
Domiciliary Care	High
CareFirst Implementation / Charteris	High
Data Quality – Government Returns	High
Personalisation	High
Client Finance Services incl Receiverships	Medium
Safeguarding Adults 10/11 Follow-Up	Must Do
Mt Edgcumbe 10/11 Follow-Up	Must Do
Other Systems – Children and Young People Directorate	
"Diversion of Children From Care" Plan	High
Escort Service - Concessionary Transport - Special School routes - SEN transport	Medium
Data Quality Childrens 10/11 Follow-Up	Must Do
Procurement / Contract Audit	
New Procurement Policies and Strategies inc Procure to Pay Project	High
Waste PFI	High
Leisure Management / Life Centre/ Pavilions Disposal	High
Commissioning & Contracting (Adults)	High
Commissioning & Contracting (Children)	High
Cross Cutting Reviews	
Local Performance Framework	High
Accommodation Strategy	Medium
Data Quality	High
Payment to Consultants and Advisors	High
Carbon Management	High
Procurement & Management of Consultants & Advisors	Medium
Significant Partnerships 10/11 Follow-Up	Must Do
Delivery Plans	Must Do
Grant / Account Certification	
Contaminated Land Capital Projects Prog 10/11	Must Do
Urban Bus Challenge 10/11	Must Do
Mount Edgcumbe Accounts 10/11	Must Do
Carry Forward Completion Work	
Finalising work from 10/11	Must Do

ICT Work Programme

System	System Priority
ICT Audit	
Material Systems IT Issues (11/12)	Must Do
Information Security	High
BACS Transmission	High
Hosted Services	High
CareFirst	High
Capacity and Availability	High
Housing Benefits	High
Business Continuity	High
Event Management	High
Service Level Management	High
Access Management	High
Organisational Controls	Medium
Programme Management	High
Risk Assessments	High
Follow Ups	Must Do
Finalising work from 10/11	Must Do
Advice and Consultancy	High

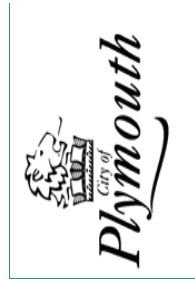
Corporate Governance

System	System Priority
Audit Committee	Must Do
Benchmarking	High
Policy Development & Advice	High
External Audit	Must Do
Whistleblowing	High
Audit Bulletins (inc Schools)	High
Annual Governance Statement	Must Do

Note: Some systems appear in more than one area of the plan. This is not duplication, but indicates different audit coverage / emphasis is required eg Housing Benefits, Data Quality reviews. However, wherever possible reviews will be co-ordinated or combined to minimise client impact.

Schools Audit Reviews

Establishment
<u>Combined Routine School Audits</u>
Primary & Special
Completion of 2010/11 visits
Brook Green Centre for Learning
Ham Drive Nursery School
Boringdon Primary School
Chaddlewood Primary School
College Road Primary School
Drake Primary School
Dunstone Primary School
Elburton Primary School
Ernesettle Community Primary School
Glen Park Primary School
Holy Cross Catholic Primary School
Hyde Park Junior School
Keyham Barton Catholic Primary School
Knowle Primary School
Laira Green Primary School
Lipson Vale Primary School
Marlborough Primary School
Mary Dean's C of E Primary School
Montpelier Primary School
Mount Wise Community Primary School
Oreston Community Primary School
Pennycross Primary School
Pilgrim Primary School
St Andrew's C of E Primary School
St Budeaux Foundation C of E Junior School
St George's C of E Primary School
Stoke Damerel Primary School
The Cathedral School of St Mary
Weston Mill Community Primary School
Widewell Primary School
Woodfield Primary School
Woodford Primary School (open 01/09/10)
Secondary
Completion of 2010/11 visits
Plymouth High School for Girls



PLYMOUTH CITY COUNCIL
AUDIT COMMITTEE
WORK PROGRAMME
July 2010 – June 2011

Work Plan 2010/11

Item	Cabinet Member / Lead Officer	2010					2011							
		J	A	S	O	N	D	J	F	M	A*	M	J*	

Additional Provisional Meetings														
													8	

Annual Governance Report (ISA 260)				24															
Annual Audit Letter 2009/10							15												
2009/10 Audit Plan Progress Report				24			15					21			25				27
Internal Audit – Annual Plan															25				
Internal Audit – 6 Monthly Progress Report							15												
Internal Audit Annual Report																			27

Work Plan 2010/11

Item	Cabinet Member / Lead Officer	2010					2011							
		J	A	S	O	N	D	J	F	M	A*	M	J*	
External Audit – Performance Management Arrangements	External Auditors			24										
External Audit – Review of Arrangements for Complying with Age Related Equalities Legislation	External Auditors			24										
Revenues and Benefits Update	Cllr Bowyer / DfCS					15								
Regulation of Investigatory Powers Act (RIPA)	Cllr Bowyer / DfCS			24										
Risk Champion Update				24							25			
Risk Management Maturity Review								21						

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