



OVERVIEW AND SCRUTINY COMMITTEE

Thursday 18 February 2010 at 6.30 pm
Council Chamber, Ryedale House, Malton

Please note that at 6.00 pm prior to the meeting a presentation will be given by representatives from the Fire Service in connection with Community Safety.

All Members of the Council are invited to attend the presentation.

Agenda

1 Apologies for absence

2 Minutes

(Pages 1 - 8)

To approve as a correct record the minutes of the last meeting of the Committee held on 10 December 2009.

3 Urgent Business

To receive notice of any urgent business which the Chairman considers should be dealt with at the meeting as a matter of urgency by virtue of Section 100B(4)(b) of the Local Government Act 1972.

4 Declarations of Interest

Members to indicate whether they will be declaring any interests under the Code of Conduct.

Members making a declaration of interest at a meeting of a Committee or Council are required to disclose the existence and nature of that interest. This requirement is not discharged by merely declaring a personal interest without further explanation.

5 Matters Referred for Decision in Relation to Call-in

6 Responses from Full Council, Policy & Resources Committee and Community Services Committee to reports of the Overview & Scrutiny Committee

AUDIT REPORTS

- 7 **Significant Partnerships** (Pages 9 - 14)
- 8 **Service Risk Register - Finance & Revenues and Customer Services & Benefits**
(Pages 15 - 38)
- 9 **Internal Audit - 2010/11 Audit Plan** (Pages 39 - 46)
- 10 **Internal Audit - Quarter 3 Report** (Pages 47 - 50)
- 11 **Annual Governance Statement Action Plan** (Pages 51 - 58)
- 12 **Ryedale District Council Annual Audit Letter** (Pages 59 - 72)
- 13 **Grant Claims and Return 2008/09 Audit Letter** (Pages 73 - 84)
- 14 **International Financial Reporting Standard** (Pages 85 - 90)
- 15 **Treasury Management Strategy Statement and Annual Investment Strategy 2010/11**
(Pages 91 - 116)
- 16 **Half Year Risk Management Actions Monitoring Report** (Pages 117 - 134)

OVERVIEW & SCRUTINY REPORTS

- 17 **Customer Complaints - Quarter 3** (Pages 135 - 142)
- 18 **Sickness Absence Review (Consideration of Task Group 10 February 2010)**
Report to follow.
- 19 **Decisions from other Committees** (Pages 143 - 144)
Community Services Committee - 28 January 2010 (attached)

Special Policy & Resources Committee - 4 February 2010 (to follow)
- 20 **Any other business that the Chairman decides is urgent.**

Overview and Scrutiny Committee

Held at Member's Lounge, Ryedale House, Malton
on Thursday 10 December 2009

Present

Councillors Andrews, Clark, Cussons (Vice-Chair), Raper, Mrs Shields (Chairman),
Mrs Wilford and Windress

In Attendance

Audrey Adnitt, Paul Cresswell, Jos Holmes, James Ingham, Louise Sandall and Clare Slater

Minutes

41 Apologies for absence

Apologies for absence were received from Councillors Cottam and Jackson.

42 Minutes of the Meeting of the Overview and Scrutiny Committee held on 15 October 2009

The minutes of the meeting of the Overview & Scrutiny Committee held on the 15 October 2009 (previously circulated) were submitted.

Resolved

That the minutes of a meeting of the Overview & Scrutiny Committee held on 15 October 2009 be approved and signed by the Chairman as a correct record.

The Chair reported that as the Licensing Committee was a Quasi Judicial Committee it was not appropriate for the minutes to be brought to the Overview and Scrutiny Committee.

43 Urgent Business

The Chairman reported that there were no items to be dealt with at the meeting as a matter of urgency by virtue of Section 100(B)(4)(b).

Councillor Clark asked for clarification on the current voluntary redundancy policy which had been activated as part of the 1/11 initiative. Following a discussion it was:

Resolved

That the matter be referred to the Policy and Resources Committee for clarification on the following points:

- What has activated the redundancy policy and why.
- Who made the decision for 1/11 and why.
- What were the timescales.

44 **Declarations of Interest**

Councillor Mrs Wilford declared a personal interest in item 7 “Repairs to Former Town Hall, Malton” as she was the District Council representative on the Malton Museum Committee.

45 **Safer Ryedale Partnership Review**

The Head of Economy and Housing submitted a report (previously circulated) in order to provide a context for the Safer Ryedale Partnership Review.

Members were reminded that following the recommendation from the Constitution Review Working Party, the Overview and Scrutiny Committee had been designated the Council’s crime and disorder overview and scrutiny committee, and as part of this work the Committee were requested to review the Safer Ryedale Partnership and also consider what scrutiny of crime and disorder they would like to undertake at future meetings.

A copy of the Safer Ryedale Partnership Plan 2008-2011 was appended to the report along with the Memorandum of Understanding and Co-operation. The Partnership had been formed in 1998 as a result of the Crime & Disorder Act, it was a statutory body comprising partner organisations with the duty placed on them to work together to reduce crime and disorder and associated issues. The Statutory Partner agencies were:

- Ryedale District Council
- North Yorkshire County Council
- North Yorkshire Police
- North Yorkshire Fire & Rescue Service
- North Yorkshire Police Authority
- York and North Yorkshire Primary Care Trust
- National Parks Authority

The Corporate Director chaired the Board and Membership was outlined in the Memorandum of Understanding and Co-operation. The Board approved the Strategy and Action Plan, reviewed performance information and was currently involved in the preparation of the Joint Strategic Information Assessment. Councillors Hope and Maud represented the Council on the Board.

The delivery team was chaired by the Economy and Community Manager, and the team met quarterly to review progress against the Action Plan, approve bids for funding and prepare papers for the Board.

The Council currently expended £70,930 on community safety activity, largely on the Community Safety Manager post. In addition the Partnership had two part time officers, funded through Government Office and partner grant aid.

The Partnership managed funding of £113,000 in 2009/10 to pursue its priorities. This funding was likely to be reduced considerably in 2010/11 as funding was allocated according to crime levels. The Partnership had agreed to investigate closer working and a possible merger with the Ryedale Local Strategic Partnership. This had been prompted in part by the retirement of the Council's Community Safety Manager and should this proposal proceed it was not intended to replace this post.

The Economy and Community Manager provided a further update on events since the publication of the agenda, the Ryedale Strategic Partnership had met, and as a result both the Safer Ryedale Board and Ryedale Strategic Partnership had agreed to proceed with the merger. Further work was now to be carried out, and a report was to be brought to the January meeting of the Community Services Committee on the potential merger.

The Chair advised that in relation to the new role of the Committee as the Council's designated crime and disorder overview and scrutiny committee, it would be beneficial to invite Inspector Hutchinson to a future meeting.

Resolved

- That the report be noted.
- That Inspector Hutchison be invited to the next meeting of the Committee.
- That Inspector Hutchison be consulted on the requirements and frequency of meetings in relation to the work required by the crime and disorder overview and scrutiny committee, preferably before the next meeting.

46 Sickness Absence

The Head of Organisational Development submitted a report (previously circulated) in order to provide an update.

As part of the Committee's Sickness Absence Review, a presentation had been given by representatives from North Yorkshire County Council, on their

Sickness Absence Policy at the August meeting. Following the presentation Unison had been asked to comment on the policy and the following key points:

- A new pay structure which removed spot salaries and provided incremental progression within a pay band for the vast majority of staff;
- A job evaluation scheme;
- The introduction of 'thank you' payments of up to £50 for good service;
- Attendance awards for staff with nil absence in the past 12 month;
- A scheme to provide up to 200 cars for frontline relatively low paid staff who need a car to undertake their duties, for example in the area of home care;
- The removal of essential car user allowance from 2,000 staff and the introduction of a flat mileage rate for all staff;
- The removal of the car leasing scheme for essential users;
- The increase of flexi leave by two days per year;
- The introduction of additional increments for exceptional performance
- Long service awards given at earlier stages;
- A new employee benefits scheme providing access to a large range of discounts;
- The awarding of annual increments within a pay band based upon satisfactory performance, which covered conduct, capability, good appraisal and an acceptable level of attendance.

The full and detailed response from the Secretary of the Unison Ryedale Branch was provided in the report, in essence Unison were fundamentally opposed linking incremental progression to sickness absence, and the response also covered the other key points in North Yorkshire County Council's policy.

Members were advised that Selby District Council, had been identified as a comparative authority, with a good performance record in relation to sickness absence, and a members of their Senior Management Team was willing to come and discuss their approach.

Following a discussion it was

Resolved

- a. That the report be received
- b. That a task group comprising Members of the Overview and Scrutiny Committee meet with Unison to consider improvements to the current sickness absence policy.
- c. That a representative from Selby District Council be invited to come to a future meeting to discuss their sickness absence policy.

The Corporate Director (s151) submitted a report (previously circulated) following a request made at the last meeting of Overview & Scrutiny Committee, to provide an update on the current position regarding the repairs to the roof and stonework at the former Town Hall, Malton.

The report gave details of the repairs needed, along with the reasons for the delay, details of when the work was to take place and the financial impacts.

The report was discussed in detail, and some Members were of the opinion that further details were required, however following further debate it was:

Resolved

That the report be received and its contents noted as recommended.

NB. Councillors Andrews and Clark requested that their votes against the recommendation be recorded.

48 Joint Member Workshop Feedback (Information Item)

A report (previously circulated) from the Joint District/County Council Scrutiny Member's Workshop held on the 10 November 2009 at County Hall, Northallerton, was presented for Members' information.

49 Current Scrutiny Review List

A list (previously circulated) of the scrutiny reviews currently being undertaken, by the Overview & Scrutiny Committees at the seven other local authorities in North Yorkshire were presented for Member's information.

50 Annual Review of the Risk Management Strategy

The Audit Manager submitted a report (previously circulated) in order to present the revised Risk Management Strategy 2007- 2010 to Members for consideration and approval.

The Risk Management Strategy was last approved by Members in December 2008.

The primary objectives of the strategy were to: -

- Further develop risk management and raise its profile across the Council.
- Integrate risk management into the organisational culture service planning and performance aspects of the organisation.
- Further embed risk management through the ownership and management of risk as part of all decision making processes, both at officer and member level.
- Manage risk in accordance with best practice.
- Create effective processes that will allow the Council to produce risk management assurance statements annually.

The proposed revisions to the Risk Management Strategy were appended to report at annex A.

Councillor Clark advised that he would like to have more involvement in the coming year as part of his role as Risk Champion.

Resolved

That the report be received and the revised Risk Management Strategy be approved.

51 **Internal Audit Quarter 2 Report**

The Corporate Director (s151) submitted a report (previously circulated) in order to present the Interim Internal Audit Report for the period ending 30 November 2009.

The Accounts and Audit Regulations required all Councils to annually review their systems of internal control and to provide an adequate and effective Internal Audit function, and the Interim Internal Audit Report from the North Yorkshire Audit Partnership was attached at annex A.

The report highlighted issues that the audits had identified and provided a summary of them. It also outlined any issues emerging from the audits of the principal financial systems of the Council, together with any significant comments from other audits completed in the year to date.

The Audit Partnership provided the Council in its report with a clear statement of assurance reflecting its opinion of the Internal Control Framework. This was based upon the audits completed complemented by its existing knowledge and understanding of the control framework.

Resolved

That the report be noted.

52 **Service Risk Register - Transformation**

The Head of Transformation submitted a copy of the Service Risk Register for the Transformation Team printed from the covalent system as at the 20 November 2009.

Resolved

That the report be received.

53 **Any other business that the Chairman decides is urgent.**

The Chair advised that in conversation with other Members of the Committee, she was of the opinion that it would be beneficial to change the starting time for meetings of this Committee from 6.30pm to 6pm with effect from the beginning of the next municipal year. This matter was to be referred to Council for further consideration.

Decisions from Other Committees

Lists of Decisions from the following Committees were submitted:

- Community Services – 26 November 2009
- Policy and Resources – 3 December 2009

Exempt Information

Resolved

That under Section 100(A)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following item as there will be a likely disclosure of exempt information as defined in Paragraph 1 of Part 1 of Schedule 12A of the Act as the information relates to any individual.

Mrs Wilford advised that she had attended the Policy & Resources Committee on the 3 December 2009 as an Overview and Scrutiny observer, and wished to raise concern in relation to an exempt item on the agenda. Although the item was to be taken under "Exempt" five members of staff had remained in the public gallery. A discussion followed and Members were of the opinion that this was an area of protocol, which needed to be reviewed.

Councillor Andrews also requested some addition information in relation to the

Northgate Contract, which had been debated at the Policy and Resources Committee, and received some further details from the Corporate Director (s151).

Resolved

That the Corporate Director (s151) in conjunction with the Monitoring Officer establish a protocol for Officers in exempt meetings.



REPORT TO:	OVERVIEW AND SCRUTINY COMMITTEE
DATE:	18 FEBRUARY 2010
REPORT OF THE:	HEAD OF TRANSFORMATION CLARE SLATER
TITLE OF REPORT:	SIGNIFICANT PARTNERSHIPS
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 To reconfirm the Councils list of Significant Partnerships, following adoption of the Partnership Protocol and an audit of partnerships.

2.0 RECOMMENDATION(S)

- 2.1 It is recommended that Members endorse the list of Significant Partnerships as recommended by officers as follows:
- North Yorkshire Audit Partnership
 - North Yorkshire Building Control Partnership
 - North Yorkshire Concessionary Fares Partnership
 - Moors and Coast Tourism Partnership
 - Ryedale Strategic Partnership – Incorporating Safer Ryedale

3.0 REASON FOR RECOMMENDATION(S)

- 3.1 The recommendation is in line with the standards contained within the Councils Partnership Governance Protocol the purpose of which is to ensure good governance of the Council's partnership arrangements.

4.0 SIGNIFICANT RISKS

- 4.1 The Risk Register attached at annex A summarises the significant risks associated with the Councils involvement in the partnerships assessed as being 'Significant Partnerships'.

REPORT

5.0 BACKGROUND AND INTRODUCTION

- 5.1 The Council has adopted a partnership protocol, the main objective of which is to ensure that the Council participates in successful partnerships that have robust

governance arrangements. The next phase of the implementation of the protocol has now been completed. An audit of the Councils' partnerships has been undertaken and all of the partnerships on the register have been assessed by officers for their level of significance against the following criteria:

- Partnership costs
- Link to council priorities
- Consequences
- Decision making
- Statutory or regulatory context
- Risk

6.0 POLICY CONTEXT

6.1 The Council has agreed that Transforming the Council is one of its 5 priorities for 2009-13, with the strategic objective 'to develop the leadership, capacity and capability to deliver future improvements' and service priority of 'building our capacity to deliver through collaboration and working in partnership'.

7.0 CONSULTATION

7.1 Senior Management Team have fulfilled their role as required by the partnership protocol in undertaking an audit of all partnerships, maintaining a list of partnerships and assessing all partnerships in terms of their significance. Officers who are involved in the management of partnerships for the Council have been involved in this process.

8.0 REPORT DETAILS

8.1 The best practice checklist included in the Partnership Protocol is based on the CIPFA principles for good partnerships, and these need to be applied rigorously to the partnerships determined by the Council to be significant. Partnerships should have:

- **clear objectives** that link to the achievement of the Council's corporate objectives.
- **clear organisational and staffing arrangements** in place, with clear accountabilities for those involved in the partnership and clarity with regard to the resources committed to it.
- **robust management and appropriate decision making** mechanisms in place. They should have a constitution and/or terms of reference and defined standards as to the way individuals within partnerships should behave.
- **robust performance management** arrangements for monitoring and reviewing how successfully targets are being met and sharing review findings amongst partners.
- **robust financial arrangements** in place, with clear budget setting and monitoring procedures and clear financial regulations and schemes of delegation.
- a clear process for identifying, prioritising and **managing risks**. Business continuity arrangements should also be in place.
- a transparent process for **information sharing** within the partnership and **public engagement arrangements** where there is communication with service users and the wider public.

- clear **exit arrangements** that allow for minimal disruption and the reallocation of resources.
- 8.2 A Significant Partnerships Risk Register and Risk Action Plan, be maintained on Covalent to manage the risks associated with the Council's involvement in these partnerships. See the risk matrix attached at annex A.
- 8.3 All the Councils Significant Partnerships will be expected to supply the Council with the following information:
- A risk register and action plan to be presented to this committee annually, with particular reference to the partnerships arrangement for business continuity.
 - Performance and finance reports from each partnership to be presented to the Community Services Committee (and at any point in the future the Commissioning Board), summarising the performance management arrangements for monitoring and reviewing how successfully services and outcomes are being delivered and the financial performance of the partnership.

9.0 IMPLICATIONS

- 9.1 The following implications for the council of all partnerships have been considered as part of the audit of partnerships using the good practice checklist to assess and monitor the health of all partnership:
1. Strategic fit and clarity of objectives
 2. Organisational and staffing arrangements
 3. Management and decision making
 4. Performance management and outcomes
 5. Financial arrangements
 6. Risk
 7. Information sharing and public engagement
 8. Exit arrangements

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Head of Transformation

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Background Papers:
Partnership Protocol
Council Plan 2009-13

Background Papers are available for inspection at:
Ryedale.gov.uk

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SIGNIFICANT PARTNERSHIPS- RISK MATRIX – ANNEX A

Issue/Risk	Consequences if allowed to happen	Likelihood	Impact	Mitigation	Mitigated Likelihood	Mitigated Impact
North Yorkshire Audit Partnership – Aim 5 To Transform the Council						
Failure to complete audit plans	Poor governance	2	C	Regular monitoring of audit plans. Support for reviews from within the organisation	1	B
Withdrawal of partners	Financial liabilities	2	D	Continuing to perform to high standards and monitor customer satisfaction	1	B
Failure of the partnership	Loss of service for RDC	2	C	Periodic review of partnership arrangement and VFM and options for future delivery	1	C
North Yorkshire Building Control Partnership – Aim 3 High Quality Environment						
Failure to meet financial targets	Increased costs for the Council	3	C	Management board to keep financial performance under review. Liaison on financial and performance position with RDC officers	3	A
North Yorkshire Concessionary Fares Partnership – Aim 5 To Transform the Council						
Failure of the partnership to deliver in line with legislation	Financial loss to the council	2	B	Performance management and liaison through partnership	1	A
Withdrawal of government funding	Financial loss to the council	4	D	Delivery of one 11 programme	4	B
Moors and Coast Tourism Partnership – Aim 2 To create the conditions for economic success						

SIGNIFICANT PARTNERSHIPS- RISK MATRIX – ANNEX A

Issue/Risk	Consequences if allowed to happen	Likelihood	Impact	Mitigation	Mitigated Likelihood	Mitigated Impact
Failure to achieve financial independence	Financial loss to the council	4	D	Monitoring of financial performance	2	B
Failure to deliver outcomes		3	C	Monitoring of performance against targets and indicators	2	B
Ryedale Strategic Partnership incorporating Safer Ryedale – All 5 aims RSP, Aim 4 Active Safe Communities Safer Ryedale						
Failure to deliver improvements in quality of life	Negative impact on Ryedale communities	3	C	Review of Community Strategy , performance management of partnership and delivery plans	2	B
Failure to involve communities effectively and co-ordinate efforts	Duplication of effort by partners ad the Council, fatigued communities	3	C	Co-ordination of engagement activity by partners	2	B
Breach of primary legislation in relation to Community Safety Partnership	Financial and reputational damage to the council and partners	3	C	Delivery of the Partnership Delivery Plan	2	B

Score	Likelihood	Score	Impact
1	Very Low	A	Low
2	Not Likely	B	Minor
3	Likely	C	Medium
4	Very Likely	D	Major
5	Almost Certain	E	Disaster



REPORT TO:	OVERVIEW AND SCRUTINY COMMITTEE
DATE:	18 FEBRUARY 2010
REPORT OF THE:	CORPORATE DIRECTOR (s151) PAUL CRESSWELL
TITLE OF REPORT:	SERVICE RISK REGISTER – FINANCE & REVENUES & CUSTOMER SERVICES & BENEFITS
WARDS AFFECTED:	ALL

1.0 PURPOSE OF REPORT

- 1.1 This report presents the Service Risk Register for those services under the Corporate Director (S151).

2.0 RECOMMENDATION

- 2.1 It is recommended that members receive the report and review the risk register.

3.0 REASON FOR RECOMMENDATION

- 3.1 Risk identification and management is an integral element of organisational management to secure the achievement of the Council's corporate objectives. Risk Management should also form a key part of any budget making decisions.

4.0 REPORT

- 4.1 Service Risk Registers were originally established from work undertaken by the Audit Partnership in conjunction with Service Unit Managers, however, since the management restructure the number of registers have been reduced and are now the responsibility of the Heads of Service and their managers.
- 4.2 Annex A outlines the SRR for the Finance & Revenues Service Unit and Annex B outlines the SRR for Customer Services & Benefits. It is envisaged that each register will be presented to this committee on a rotational basis highlighting changes to risks and work undertaken to mitigate those risks.

5.0 CONCLUSION

- 5.1 Further reports will be brought to the Overview and Scrutiny Committee as the responsible committee for monitoring and evaluating risks within the Council.

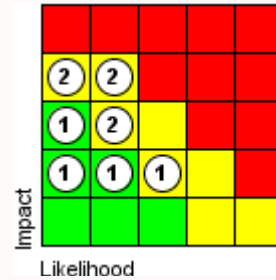
Paul Cresswell
Corporate Director (S151)

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Service Risk Register - Finance & Revenues

Generated on: 02 February 2010

FR Finance & Revenues – Current Risk Heat Map



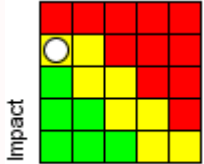
Risk Summary			Key			
Status	Code	Title	Risk Status		Action Status	
	FR1a	Investments - Credit Risk		OK		Cancelled
	FR1b	Investments - Market Risk		Warning		Overdue
	FR1c	Investments - Liquidity Risk		Alert		Check Progress
	FR2	Budgetary Control		Unknown		In Progress
	FR3	Financial Control				Completed
	FR4	Sundry Income - control				
	FR5	Budgets - set				
	FR6	Payroll Monitoring				
	FR7	Revenue Systems				

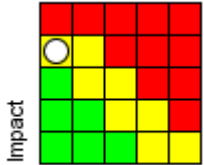
Page 17

FR1a Investments - Credit Risk



Risk Code	Risk Title	Description	Status
FR1a	Investments - Credit Risk	Lack of security of investment	

Consequences Could mean loss of principal sum and interest accrued.

Current Risk Matrix	Current Rating Description			Last Review Date
	Current Impact	D	Current Likelihood	1 February 2010
		Major		

Target Risk Matrix	Target Rating Description			SMT Lead
	Target Impact	D	Target Likelihood	Trevor Anderson
		Major		

Risk Actions

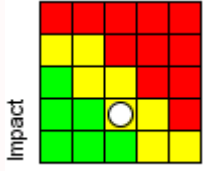
Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note
	SDP FR 0913 09a	Treasury management strategy and investment policy.	Compliance with treasury management strategy and investment policy.		31 Mar 2011	Paul Cresswell	Adoption and compliance with new credit rating methodology for investments completed at end of July.

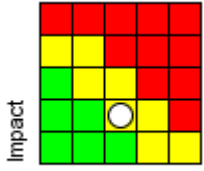
FR1b Investments - Market Risk

Risk Code	Risk Title	Description	Status
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FR1b	Investments - Market Risk	Selection of the wrong type of investment option for higher return.	
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Consequences The poor performance of the chosen investment.


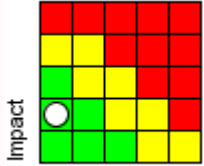
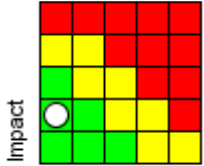
Current Risk Matrix	Current Rating Description			Last Review Date
	Current Impact	B	Current Likelihood	1 February 2010
		Minor		

Target Risk Matrix	Target Rating Description			SMT Lead
	Target Impact	B	Target Likelihood	Trevor Anderson
		Minor		


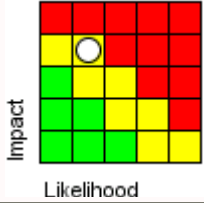
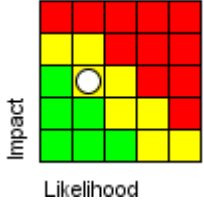


Risk Actions

Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note
	SDP FR 0913 09a	Treasury management strategy and investment policy.	Compliance with treasury management strategy and investment policy.		31 Mar 2010	Paul Cresswell	Adoption and compliance with new credit rating methodology for investments completed at end of July.


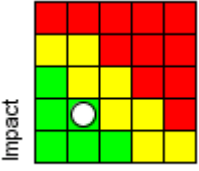
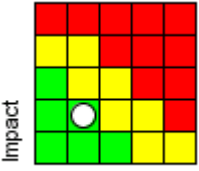
FR1c Investments - Liquidity Risk

Risk Code	Risk Title	Description	Status				
FR1c	Investments - Liquidity Risk	Use of fixed term deposits and / or instruments / investments with low marketability may mean a lack of liquidity.					
Consequences		Unable to take advantage of better investment options. Funds unavailable to cover large capital spend.					
Current Risk Matrix		Current Rating Description		Last Review Date			
	Current Impact	B	Current Likelihood	1			
		Minor		Very Low	1 February 2010		
Target Risk Matrix		Target Rating Description		SMT Lead			
	Target Impact	B	Target Likelihood	1			
		Minor		Very Low	Trevor Anderson		
Risk Actions							
Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note
		Treasury management strategy and investment policy				Paul Cresswell	Investment Strategy for 2010/11 includes more action to mitigate risk i.e. reduction in maximum period for non-specified investments.


FR2 Budgetary Control

Risk Code	Risk Title	Description	Status					
FR2	Budgetary Control	Inadequate budgetary control procedures						
Consequences		Poor monitoring of expenditure on revenue and capital projects can result in overspending.						
Current Risk Matrix		Current Rating Description		Last Review Date				
		<table border="1"> <tr> <td>D</td> <td rowspan="2">Current Likelihood</td> <td>2</td> </tr> <tr> <td>Major</td> <td>Not Likely</td> </tr> </table>	D	Current Likelihood	2	Major	Not Likely	1 February 2010
D	Current Likelihood	2						
Major		Not Likely						
Target Risk Matrix		Target Rating Description		SMT Lead				
		<table border="1"> <tr> <td>C</td> <td rowspan="2">Target Likelihood</td> <td>2</td> </tr> <tr> <td>Medium</td> <td>Not Likely</td> </tr> </table>	C	Target Likelihood	2	Medium	Not Likely	Trevor Anderson
C	Target Likelihood	2						
Medium		Not Likely						
Risk Actions								
Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note	
	SDP FR 0913 06b	Financial Reporting - Revenue budget monitoring	Improve Financial Reporting to meet the Use of Resources requirements	<div style="width: 100%;"><div style="background-color: #4f81bd; width: 100%;"></div></div> 100%	31 Mar 2010	Paul Cresswell	EMIS Reports submitted to RWP and summary report of variance analysis presented to Policy & Resources committee for members' consideration.	
	SDP FR 0913 06c	Financial Reporting - Capital Programme Progress monitoring	Introduction of new Capital Programme progress reports for members information.	<div style="width: 80%;"><div style="background-color: #4f81bd; width: 80%;"></div></div> 80%	31 Mar 2010	Paul Cresswell	Design and presentation of new capital programme progress report for RWP. Submitted on 13th January 2010. Further enhancements requested by members to complete for next meeting.	

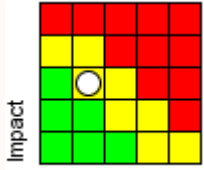
FR3 Financial Control

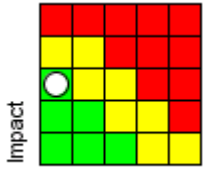
Risk Code	Risk Title	Description	Status	
FR3	Financial Control	Inadequate internal accounting systems and financial control.		
Consequences		Leading to waste and the risk of fraud and theft.		
Current Risk Matrix		Current Rating Description		Last Review Date
 <p>Impact</p> <p>Likelihood</p>	Current Impact	B	2	1 February 2010
		Minor	Current Likelihood	
Target Risk Matrix		Target Rating Description		SMT Lead
 <p>Impact</p> <p>Likelihood</p>	Target Impact	B	2	Trevor Anderson
		Minor	Target Likelihood	

FR4 Sundry Income - control



Risk Code	Risk Title	Description	Status
FR4	Sundry Income - control	Inadequate control of sundry income	

Consequences Failure to pursue monies owed.


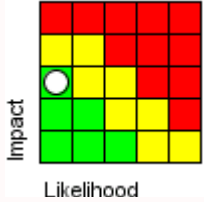
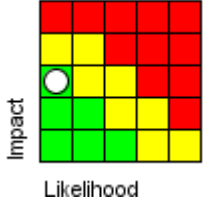
Current Risk Matrix	Current Rating Description			Last Review Date
	Current Impact	C	Current Likelihood	2
		Medium		
1 February 2010				

Target Risk Matrix	Target Rating Description			SMT Lead
	Target Impact	C	Target Likelihood	1
		Medium		
Trevor Anderson				

Risk Actions

Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note
	SDP FR 0913 11	Deliver the revenue service within the new structure	Implement the new structure for the revenue service and deliver a service that meets the agreed performance targets and the savings included in the budget.	<div style="border: 1px solid black; width: 100px; height: 15px; background-color: #e0e0e0; position: relative;"><div style="background-color: #4f81bd; width: 30%; position: absolute; left: 0;"></div></div> 30%	31 Mar 2011	Paul Cresswell	New debt recovery/visiting officer post being advertised. Will mitigate the risk of non-recovery of Housing Benefit overpayments.
	SDP FR 0913 15	Replacement of the Revenue Computer System	Assist with the selection and implementation of a new revenue/benefits system within the specified timeframe.	<div style="border: 1px solid black; width: 100px; height: 15px; background-color: #e0e0e0; position: relative;"><div style="background-color: #4f81bd; width: 25%; position: absolute; left: 0;"></div></div> 25%	30 Sep 2010	Paul Cresswell	Business case submitted to Policy & Resources Committee and approved to go ahead with a target date for implementation of September 2010.

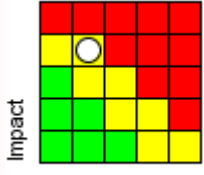
FR5 Budgets - set

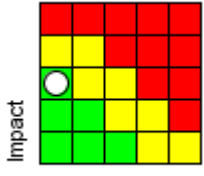
Risk Code	Risk Title	Description	Status									
FR5	Budgets - set	Inadequate management of budget setting procedure										
Consequences		Potential risk of unlawful expenditure or an unbalanced budget.										
Current Risk Matrix		Current Rating Description		Last Review Date								
		<table border="1"> <tr> <td>C</td> <td></td> </tr> <tr> <td>Medium</td> <td>Current Likelihood</td> </tr> </table>	C		Medium	Current Likelihood	<table border="1"> <tr> <td>1</td> <td></td> </tr> <tr> <td>Very Low</td> <td></td> </tr> </table>	1		Very Low		1 February 2010
C												
Medium	Current Likelihood											
1												
Very Low												
Target Risk Matrix		Target Rating Description		SMT Lead								
		<table border="1"> <tr> <td>C</td> <td></td> </tr> <tr> <td>Medium</td> <td>Target Likelihood</td> </tr> </table>	C		Medium	Target Likelihood	<table border="1"> <tr> <td>1</td> <td></td> </tr> <tr> <td>Very Low</td> <td></td> </tr> </table>	1		Very Low		Trevor Anderson
C												
Medium	Target Likelihood											
1												
Very Low												

FR6 Payroll Monitoring


Risk Code	Risk Title	Description	Status
FR6	Payroll Monitoring	Inaccurate payroll service	

Consequences Inaccurate payments and financial loss.

Current Risk Matrix	Current Rating Description			Last Review Date
	Current Impact	D	Current Likelihood	2
		Major		Not Likely
1 February 2010				

Target Risk Matrix	Target Rating Description			SMT Lead
	Target Impact	C	Target Likelihood	1
		Medium		Very Low
Trevor Anderson				

Risk Actions

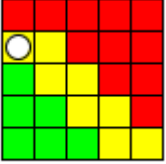
Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note
	SDP FR 0913 07	Review Payroll Service	Review of the payroll service procedures and agreement and enter new agreement with current or alternative service provider.	<div style="border: 1px solid black; width: 80px; height: 15px; background-color: #4f81bd; position: relative;"> 60% </div>	31 Mar 2010	Paul Cresswell	Revised service level agreement has been drafted to continue the delivery of the payroll service with City of York payroll section.

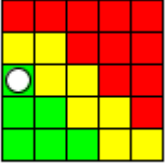
FR7 Revenue Systems

Risk Code	Risk Title	Description	Status
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FR7	Revenue Systems	Failure of revenues and document image computer systems.	
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Consequences
 No new bills / amendments to accounts. Lost or indexed documents would have a negative impact on customers. Financial implications of the loss of collection. Reputation of the Council.

Current Risk Matrix	Current Rating Description			Last Review Date
	Current Impact	D	Current Likelihood	1
		Major		Very Low

Target Risk Matrix	Target Rating Description			SMT Lead
	Target Impact	C	Target Likelihood	1
		Medium		Very Low

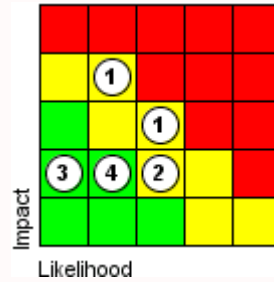
Risk Actions





















Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note
	SDP FR 0913 15	Replacement of the Revenue Computer System	Assist with the selection and implementation of a new revenue/benefits system within the specified timeframe.	<div style="border: 1px solid black; width: 80px; height: 15px; background-color: #add8e6; display: inline-block; margin: 2px;"></div> 25%	30 Sep 2010	Paul Cresswell	Business case submitted to Policy & Resources Committee and approved to go ahead with procurement and implementation.

Service Risk Register - Customer Services & Benefits

Generated on: 02 February 2010

CB Customer Service & Benefits – Current Risk Heat Map



Risk Summary			Key		
Status	Code	Title	Risk Status	Action Status	
	CB 01	Staff Absences on performance delivery		OK	 Cancelled
	CB 02	Regular staff vacancies		Warning	 Overdue
	CB 03	Resistance to change in working practices/systems/restructure		Alert	 Check Progress
	CB 04	Lack of and/or ineffective IT systems		Unknown	 In Progress
	CB 05	Fraud Partnership fails			 Completed
	CB 06	Continuation of Shared Customer Services			
	CB 07	Conflict of interest between staff and customers & self interest			
	CB 08	Inadequate management of Potentially Violent People			
	CB 09	Unable to deliver reception upgrade within budget or timescales			
	CB 10	Verification by others leading to processing difficulties			
	CB 11	Poor data quality			

Page 27


CB 01 Staff Absences on performance delivery

Risk Code	Risk Title	Description	Status
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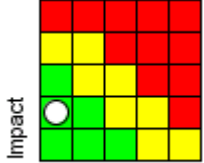
CB 01	Staff Absences on performance delivery	High staff absences impact on performance and colleagues creating negative atmosphere and increased costs and training for additional resources	
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Consequences
 Financial cost cover/training Management/Training time Performance Customer complaints Customer satisfaction Loss of expertise Low staff morale Poor image/PR

Current Risk Matrix	Current Rating Description			Last Review Date
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	Current Impact	B	Current Likelihood	3	18 May 2009
		Minor		Likely	

Target Risk Matrix	Target Rating Description			SMT Lead
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	Target Impact	B	Target Likelihood	1	Paul Cresswell; Paul Cresswell
		Minor		Very Low	

Risk Actions


Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note


CB 02 Regular staff vacancies

Risk Code	Risk Title	Description	Status
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CB 02	Regular staff vacancies		
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Consequences Financial cost Advertising/cover/training Management/Training time Performance Customer complaints Customer satisfaction Loss of expertise Low staff morale Poor image/PR

Current Risk Matrix	Current Rating Description			Last Review Date
 <p>Impact</p> <p>Likelihood</p>	Current Impact	B	Current Likelihood	18 May 2009
		Minor		

Target Risk Matrix	Target Rating Description			SMT Lead
 <p>Impact</p> <p>Likelihood</p>	Target Impact	B	Target Likelihood	Paul Cresswell; Paul Cresswell
		Minor		

Risk Actions

Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note

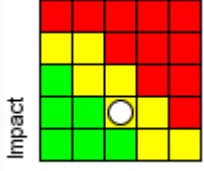
CB 03 Resistance to change in working practices/systems/restructure

Risk Code	Risk Title	Description	Status
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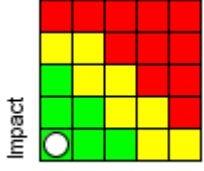
CB 03	Resistance to change in working practices/systems/restructure	Some staff reluctant to change working practices	
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Consequences	Performance Poor image/PR Financial cost Staff time Customer satisfaction Customer complaints Low staff morale Staff absences		
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Current Risk Matrix	Current Rating Description			Last Review Date
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	Current Impact	B	Current Likelihood	3	18 May 2009
		Minor		Likely	


Target Risk Matrix	Target Rating Description			SMT Lead
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	Target Impact	A	Target Likelihood	1	Paul Cresswell
		Low		Very Low	

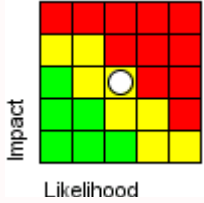
Risk Actions

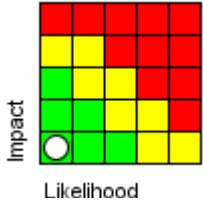
Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note
	SDP CB 0913 28	Regular team meetings which are minuted		<div style="border: 1px solid black; width: 100px; height: 15px; background-color: #add8e6; display: inline-block;">50%</div>	31 Mar 2010	Paul Cresswell	Regular team meetings now held to keep staff informed

CB 04 Lack of and/or ineffective IT systems



Risk Code	Risk Title	Description	Status
CB 04	Lack of and/or ineffective IT systems	Revenues & benefits system unlikely to be supported in future, Cash receiving system no longer compliant, no satisfaction system and current customer contact system no longer fit for purpose	

Consequences Performance Poor image/PR Financial cost Staff time Customer satisfaction Customer complaints Low staff morale

Current Risk Matrix		Current Rating Description			Last Review Date
	Current Impact	C	Current Likelihood	3	18 May 2009
		Medium		Likely	

Target Risk Matrix		Target Rating Description			SMT Lead
	Target Impact	A	Target Likelihood	1	Paul Cresswell
		Low		Very Low	

Risk Actions

Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note
	A2S - 4	Contact Management		<div style="border: 1px solid black; width: 100px; height: 15px; background-color: white; display: flex; align-items: center; justify-content: center;">0%</div>	04 Jul 2011	Louise Sandall	
	SDP CB 0913 07	Review benefits system & where feasible implement new system	Review benefits system & where feasible implement new system	<div style="border: 1px solid black; width: 100px; height: 15px; background-color: #add8e6; display: flex; align-items: center; justify-content: center;">50%</div>	30 Sep 2010	Paul Cresswell	Looking at a joint system and working to achieve cost savings.

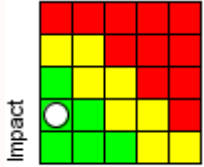
CB 05 Fraud Partnership fails

Risk Code	Risk Title	Description	Status
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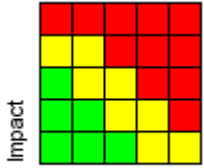
CB 05	Fraud Partnership fails		
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Consequences

Current Risk Matrix	Current Rating Description			Last Review Date
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 <p>Impact</p> <p>Likelihood</p>	Current Impact	B	Current Likelihood	1	18 May 2009
		Minor		Very Low	

Target Risk Matrix	Target Rating Description			SMT Lead
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 <p>Impact</p> <p>Likelihood</p>	Target Impact		Target Likelihood		Paul Cresswell

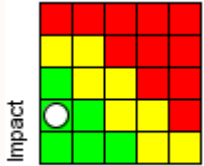
Risk Actions

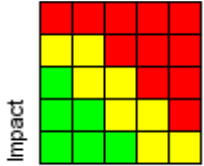
Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note
							Contract commenced 5th October 09 with Veritau

CB 06 Continuation of Shared Customer Services

Risk Code	Risk Title	Description	Status
CB 06	Continuation of Shared Customer Services		

Consequences Duplication of services Consistent services Financial cost Customer satisfaction Low staff morale


Current Risk Matrix	Current Rating Description			Last Review Date
 <p>Impact</p> <p>Likelihood</p>	Current Impact	B Minor	Current Likelihood Very Low	1 18 May 2009

Target Risk Matrix	Target Rating Description			SMT Lead
 <p>Impact</p> <p>Likelihood</p>	Target Impact		Target Likelihood	Paul Cresswell

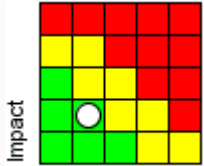
Risk Actions

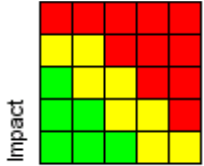
Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note

CB 07 Conflict of interest between staff and customers & self interest

Risk Code	Risk Title	Description	Status
CB 07	Conflict of interest between staff and customers & self interest		

Consequences Fraud Financial cost Poor image/PR Management time Legal implications


Current Risk Matrix		Current Rating Description			Last Review Date
	Current Impact	B	Current Likelihood	2	18 May 2009
		Minor		Not Likely	

Target Risk Matrix		Target Rating Description			SMT Lead
	Target Impact		Target Likelihood		Paul Cresswell

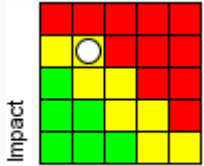
Risk Actions

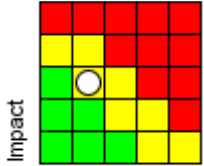
Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note

CB 08 Inadequate management of Potentially Violent People

Risk Code	Risk Title	Description	Status
CB 08	Inadequate management of Potentially Violent People	No corporate wide Potentially Violent customer list/procedures/policy	

Consequences Data protection Staff safety Staff morale Staff absences Insurance claims Information sharing Poor image/PR

Current Risk Matrix	Current Rating Description			Last Review Date
	Current Impact	D	Current Likelihood	18 May 2009
		Major		

Target Risk Matrix	Target Rating Description			SMT Lead
	Target Impact	C	Target Likelihood	Paul Cresswell
		Medium		

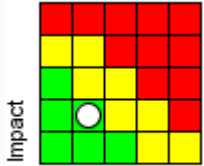
Risk Actions

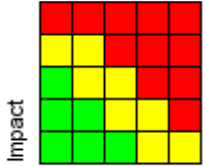
Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note

CB 09 Unable to deliver reception upgrade within budget or timescales

Risk Code	Risk Title	Description	Status
CB 09	Unable to deliver reception upgrade within budget or timescales		

Consequences Performance Poor image/PR Financial cost Customer satisfaction Customer complaints Low staff morale Cash handling


Current Risk Matrix		Current Rating Description			Last Review Date
	Current Impact	B	Current Likelihood	2	18 May 2009
		Minor		Not Likely	

Target Risk Matrix		Target Rating Description			SMT Lead
	Target Impact		Target Likelihood		Paul Cresswell

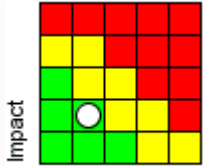
Risk Actions

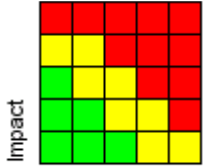
Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note

CB 10 Verification by others leading to processing difficulties

Risk Code	Risk Title	Description	Status
CB 10	Verification by others leading to processing difficulties		

Consequences


Current Risk Matrix	Current Rating Description			Last Review Date
 <p>Impact</p> <p>Likelihood</p>	Current Impact	B Minor	Current Likelihood Not Likely	2 18 May 2009

Target Risk Matrix	Target Rating Description			SMT Lead
 <p>Impact</p> <p>Likelihood</p>	Target Impact		Target Likelihood	Paul Cresswell

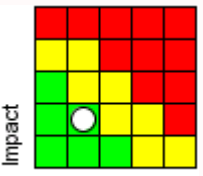
Risk Actions

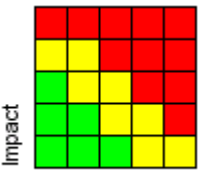
Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note

CB 11 Poor data quality

Risk Code	Risk Title	Description	Status
CB 11	Poor data quality		

Consequences Performance Poor image/PR Staff losses Financial cost Inspection

Current Risk Matrix	Current Rating Description			Last Review Date
	Current Impact	B	Current Likelihood	18 May 2009
		Minor		

Target Risk Matrix	Target Rating Description			SMT Lead
	Target Impact		Target Likelihood	Paul Cresswell

Risk Actions

Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note



REPORT TO:	OVERVIEW AND SCRUTINY COMMITTEE
DATE:	18 FEBRUARY 2010
REPORT OF THE:	CORPORATE DIRECTOR (s151) PAUL CRESSWELL
TITLE OF REPORT:	INTERNAL AUDIT – 2010/11 AUDIT PLAN
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

1.1 This report presents the Internal Audit Plan for 2010/11 from the North Yorkshire Audit Partnership (Annex A).

2.0 RECOMMENDATION

2.1 It is recommended that members receive this report and endorse the plan.

3.0 REASON FOR RECOMMENDATION

3.1 Internal Audit is a legal requirement for Councils, and furthermore underpins delivery of the Corporate Plan and the Council's strategic themes by ensuring that the control environment is reviewed on a structured and logical basis.

3.2 The Cipfa Code of Practice for Internal Audit in Local Government identifies that the shared interests of the audit committee and internal audit require an effective working relationship. Part of that is the monitoring of progress against, the internal audit strategy and plan.

4.0 SIGNIFICANT RISKS

4.1 There are no significant risks.

REPORT

5.0 BACKGROUND AND INTRODUCTION

5.1 The Internal Audit plan has been drafted using the Partnership's risk assessment model. This model considers various aspects appertaining to activities within Ryedale DC and assesses the level of inherent risk. This then determines the relative frequency of audit.

5.2 The Council has had an agreed plan of 265 days for a number of years, and our range of work is therefore constrained by that limit.

5.3 The plan is, as usual subject to appropriate consultation and is agreed with the Corporate Director (s151).

6.0 POLICY CONTEXT

6.1 This report and the Audit Plan support the Council's requirement to comply with all legislation. It also supports all the Corporate Aims of the Council, by evaluating the overall internal control framework through which the aims are achieved.

6.2 This work within the Internal Audit plan supports the Council's Corporate Strategic Objective of providing strong Community Leadership, by demonstrating a commitment to local democracy and accountability.

7.0 CONSULTATION

7.1 No external consultation has been undertaken. The Audit Partnership liaises with the Corporate Director (s151) who has responsibility to ensure that there is an effective system of internal control.

7.2 Where appropriate the Partnership has undertaken consultation with Heads of Service.

8.0 REPORT DETAILS

8.1 The audit plan, detailed in Annex A, sets out the work to be covered in the forthcoming year.

8.2 The plan is agreed between the Corporate Director, the Council's s151 Officer and the Audit Partnership. In addition views are sought from Heads of Service, and the Council's external auditors. This wider review is to ensure that the plan is relevant and appropriate to the Council's needs.

8.3 The view sought from the Council's external auditors is appropriate to the continuing expectation that the Partnership works closely with them to minimise the cost of external audit by allowing them to be able to place reliance on the Partnership's audit plan and work in their assessment of the Council.

8.4 This does tend to distort the plan to a degree as they expect that we audit the material systems of the Council on an annual basis. This drives part of the plan outwith the Partnership's risk assessment. Typically this work accounts for around 40% of the annual plan.

8.5 Progress against the plan is reported to the Overview & Scrutiny (Audit) Committee on a regular basis, and the plan itself will be reviewed during the year to take cognisance of changes within the audit environment. This review will reported to the Committee at its autumn meeting.

9.0 IMPLICATIONS

9.1 The following implications have been identified:

a) Financial

There are no financial implications, beyond the existing budget for Internal Audit.

- b) Legal
None directly, though individual audit reports may have implications
- c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)
None directly, though individual audit reports may have implications

Paul Cresswell
Corporate Director (s151)

Author: James Ingham, Head of North Yorkshire Audit Partnership
Telephone No: 01723 232364
E-Mail Address: James.Ingham@Ryedale.gov.uk
James.Ingham@Scarborough.gov.uk

Background Papers:
None

Background Papers are available for inspection at:

NORTH YORKSHIRE AUDIT PARTNERSHIP

RYEDALE DC ~ AUDIT PLAN 2010/11 to 2013/14

	2010/11	2011/12	2012/13	2013/14
	days	days	days	days
<u>Material Systems Regularity Assurance (MSRA)</u>				
20110 Council Tax	14	14	14	14
20120 Creditors	15	15	15	15
20121 Creditors ~ Counter Fraud audit				
20130 Debtors	11	11	11	11
20140 G. Ledger + Bank Reconciliations	12	12	12	12
20150 Housing Benefits	15	15	15	15
20170 Income System	11	11	11	11
20180 NNDR	12	12	12	12
20190 Payroll	6	6	6	6
20200 Treasury Mgt	9	9	9	9
22520 Capital A/C; Asset Management	6	6	6	6
	111	111	111	111
	42%	42%	42%	42%
<u>Identified Risk Assurance (IRA)</u>				
	7	7	7	7
Corporate Risk Register Actions				
Service Risk Register Actions				
<u>Cyclical Assurance (CA)</u>				
<u>Head of Environmental Services - Phil Long</u>				
Health and Environment - Steve Richmond				
21400 Leisure Contract (CL Ltd)	0	8	0	0
22070 Dog Warden & Enforcement	0	6	0	0
22085 Food Safety	0	6	0	0
22111 Licencing Act(s)	0	0	8	0
22114 <i>Gambling Act 2005 inc in 2111</i>	0	0	0	0
22120 Markets	0	0	7	0
22130 Pest Control	0	0	7	0
22150 <i>Pollution Control</i>	0	0	0	0
	0	20	22	0
Street Scene Services - Beckie Bennett				
21530 Restaurant	0	0	0	5
21590 Waste Man/G Maint/Recycle	0	9	0	0
21680 <i>Vehicles & Plant</i> <i>(incl. Garages & Depots)</i>	0	0	0	0
OVERVIEW AND SCRUTINY				

18 FEBRUARY 2010

NORTH YORKSHIRE AUDIT PARTNERSHIP

RYEDALE DC ~ AUDIT PLAN 2010/11 to 2013/14

	2010/11	2011/12	2012/13	2013/14
	days	days	days	days
22050 Car Parks	0	8	0	0
22110 Hackney Carriage licences	7	0	0	7
22160 <i>Public Conveniences</i>	0	0	0	0
22170 <i>Recycling - see Waste Mgt</i>	0	0	0	0
22180 Trade Refuse	0	0	6	0
22181 <i>Septic Tanks</i>	0	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
	7	17	6	12

Facilities and Emergency Planning Services - Dave Summers

21665 Internal CCTV	8	0	0	5
21020 Industrial Units	0	0	7	0
21050 Health & Safety	7	0	0	0
21100 Public Offices; Property Maintenance	0	0	6	0
24010 Garages & Depots (inc Vehicles & Plant)	10	0	0	10
	<hr/>	<hr/>	<hr/>	<hr/>
	25	0	13	15

Head of Economy and Housing - Julian Rudd

Economic and Community - Jos Holmes

21015 Community Safety (& CDRP)	7	0	0	8
23580 Cultural Grants	7	0	0	7
23610 Sports Development	0	0	6	0
23640 Tourism & TICs	0	8	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
	14	8	6	15

Housing Services - Richard Etherington

22090 <i>Gypsy Site</i>	0	0	0	0
23005 Housing Strategy & Homelessness	7	0	0	8
23040 <i>Homelessness (incl. in House Strategy)</i>				
23060 Housing Grants (various)	0	0	7	0
23070 Warden Control (incl. RyeCare)	0	7	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
	7	7	7	8

Head of Planning - Gary Housden

Development Control

21070 Local Land Charges	0	0	0	5
22140 Development Control	8	0	0	8
	<hr/>	<hr/>	<hr/>	<hr/>
	8	0	0	13

OVERVIEW AND SCRUTINY

18 FEBRUARY 2010

NORTH YORKSHIRE AUDIT PARTNERSHIP

RYEDALE DC ~ AUDIT PLAN 2010/11 to 2013/14

	2010/11	2011/12	2012/13	2013/14
	days	days	days	days
Forward Planning - Jill Thompson				
22020 Sustainability	0	0	0	10
22140 Local Plan	0	0	7	0
21040 Grant Funding/Payment	0	0	0	0
Market Town Initiative	0	0	0	0
	0	0	7	10
Head of Organisational Development - Louise Sandall				
ICT Services - Mick Phythian				
Human Resources – Jean Pattison				
21650 Personnel & Training	0	7	0	0
Democratic Services - Simon Copley				
21120 Register of Electors				
21125 Election Expenses	0	7	0	0
<u>Head of Transformation - Clare Slater</u>				
Performance Indicators				
Data Quality	7	7	7	7
<u>Legal Services - Anthony Winship</u>				
21060 Legal Services - inc within Debtors	0	0	0	0
<u>Head of Resources - vacant</u>				
Revenue and Finance Services - Trevor Anderson				
21010 Car Leasing/Loans	0	0	6	0
21080 Members Allowances	0	0	0	0
21081 Officers Allowances	5	0	0	7
22530 Insurance	0	0	6	0
22550 Tax Mgt	0	6	7	0
	5	6	19	7
Customer Services and Benefits – Angela Wood				
20155 HB Fraud	0	8	0	0
21130 Reprographics	0	0	0	0
21150 Telephones	0	0	0	0

NORTH YORKSHIRE AUDIT PARTNERSHIP

RYEDALE DC ~ AUDIT PLAN 2010/11 to 2013/14

	2010/11	2011/12	2012/13	2013/14
	days	days	days	days
22200 Concessionary Fares	5	0	0	0
	5	8	0	0
Follow up of agreed audit recommendations	10	10	10	10
Contingency	5	5	5	5
	15	15	15	15
<u>Value Added & Technical (VAT)</u>				
ICT Audit	12	12	12	12
Project support ~ new ICT systems	5	0	0	0
29008 Write-off Approval (system support)	4			
28900 Contract Audit/Procurement	7	7	7	7
	28	19	19	19
<u>Client Support & Advice (CSA)</u>				
External Audit Liaison	3	3	3	3
Client Support	15	15	15	15
- O & S committee (4 times per annum)				
- Reg 6 Review & AGS				
- AGS review & action plan				
- Annual Internal Audit Report				
- CAA; CPA; UoR; support				
Misc Advice	8	8	8	8
	26	26	26	26
	10%			
Total Agreed Audit Days	265	265	265	265

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REPORT TO:	OVERVIEW AND SCRUTINY COMMITTEE
DATE:	18 FEBRUARY 2010
REPORT OF THE:	CORPORATE DIRECTOR (s151) PAUL CRESSWELL
TITLE OF REPORT:	INTERNAL AUDIT – QUARTER 3+ REPORT
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

1.1 This report presents the Interim Internal Audit Report covering the period to 31 January 2010 from the North Yorkshire Audit Partnership.

2.0 RECOMMENDATION

2.1 It is recommended that the Interim Internal Audit Report which outlines progress against the approved internal audit plan be noted.

3.0 REASON FOR RECOMMENDATION

3.1 The CIPFA Code of Practice for Internal Audit in Local Government identifies that the shared interests of the audit committee and internal audit require an effective working relationship. Part of that is the monitoring of progress against the internal audit strategy and plan.

4.0 SIGNIFICANT RISKS

4.1 There are no significant risks.

REPORT

5.0 BACKGROUND AND INTRODUCTION

5.1 This report presents the Interim Internal Audit Report from the North Yorkshire Audit Partnership, which is attached as Annex A. That report summarises the work done by Internal Audit in 2009/10 to 31 January 2010.

5.2 This report highlights issues that the audits have identified and provides a summary of these. It also outlines any issues emerging from the audits of the principal financial systems of the Council, together with any significant comments from other audits completed during the year to date.

5.3 The Audit Partnership provides the Council with a clear statement of assurance reflecting its opinion of the Internal Control Framework. This is based upon the audits completed complemented by its existing knowledge and understanding of the control framework.

6.0 POLICY CONTEXT

6.1 This report supports the Council's Corporate Strategic Objective of providing strong Community Leadership, by demonstrating a commitment to local democracy and accountability.

7.0 CONSULTATION

7.1 No external consultation has been undertaken. The Audit Partnership liaises with the Corporate Director (s151) in his specific role as the responsible financial officer. In addition it undertakes an annual consultation with Heads of Service.

8.0 REPORT DETAILS

8.1 The interim report detailed in annex A, provides an assurance statement for the financial systems of the Council, based on the work undertaken to date, and past experience. It is not a 'carte blanche' but a balanced judgement.

8.2 The appendix to that Partnership report provides a brief synopsis of the issues arising at each of the audits completed in the period. This allows the committee to be aware of control issues that have been identified, and enables the committee to request specific discussions with line management about the matters raised.

8.3 The facility for members to require managers to attend and discuss with the committee the results of the audit on their service area and its recommendations does significantly support the effective working relationship between the committee and internal audit.

8.4 If exercised pragmatically it should improve the responses of service managers to audit reports and recommendations, and also encourage them to challenge audit findings, which improves the quality of the audit process.

8.5 This routine reporting to the committee forms an important part of the overall control framework, and the audit committee's role is also seen as an integral component in the Use of Resources assessment that the Audit Commission follow as part of the CAA process.

9.0 IMPLICATIONS

9.1 The following implications have been identified:

- a) Financial
There are no financial implications, beyond the existing budget for Internal Audit.
- b) Legal
None directly, though individual audit reports may have implications
- c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)
None directly, though individual audit reports may have implications

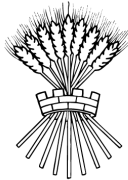
Paul Cresswell
Corporate Director (s151)

Author: James Ingham, Head of North Yorkshire Audit Partnership
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E-Mail Address: James.Ingham@Ryedale.gov.uk
James.Ingham@Scarborough.gov.uk

Background Papers:
None

Background Papers are available for inspection at:

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REPORT TO:	OVERVIEW AND SCRUTINY COMMITTEE
DATE:	18 FEBRUARY 2010
REPORT OF THE:	CORPORATE DIRECTOR (s151) PAUL CRESSWELL
TITLE OF REPORT:	ANNUAL GOVERNANCE STATEMENT ACTION PLAN
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

1.1 This is a report to committee to inform members on progress with the actions identified in the 2008-09 AGS action plan.

2.0 RECOMMENDATION

2.1 It is recommended that the progress with identified actions in the 2008-09 AGS action plan be noted.

3.0 REASON FOR RECOMMENDATION

3.1 Monitoring progress with identified actions in the AGS is good practice, and it demonstrates to the Audit Commission that the Audit Committee is properly exercising its role. This will also contribute to the assessment of the Council in the Commission's Use of Resources evaluation as part of the CAA (Comprehensive Area Assessment) process.

4.0 SIGNIFICANT RISKS

4.1 There are no significant risks.

REPORT

5.0 BACKGROUND AND INTRODUCTION

5.1 Regulation 4 of the Accounts and Audit (Amendment) (England) Regulations 2006 requires audited bodies to conduct a review at least once a year on the effectiveness of its system of internal control and publish an Annual Governance Statement (AGS) each year with the Statement of Accounts.

5.2 The document has then to be signed by the Chief Executive and the Leader (or equivalent) of the Council. This emphasises that the document is about all corporate controls and is not confined to financial issues.

- 5.3 The Council has adopted the CIPFA framework for producing the AGS. Part of this framework is for the Council's Audit Committee to consider the content of the AGS including any action plans to address identified 'significant' internal control issues.
- 5.4 It is for Members to review the progress of implementation of the actions identified in the Action Plan of the 2008/09 Annual Governance Statement (AGS).
- 5.5 This is not required under The Accounts & Audit (Amendment) (England) Regulations 2006; however it is good practice for the Committee to monitor progress of the actions as part of their Governance responsibilities.

6.0 POLICY CONTEXT

- 6.1 There is no impact upon specific policies, although as the AGS is an important corporate document demonstrating the Council's commitment to an open and transparent philosophy in all its activities.

7.0 CONSULTATION

- 7.1 No external consultation has been carried, as this is an internal report covering the progress with actions identified in the AGS.

8.0 REPORT DETAILS

- 8.1 The purpose of the AGS is to provide a continuous review of the effectiveness of the organisation's internal control and risk management systems so as to give assurance on their effectiveness.
- 8.2 The AGS should not be seen as a task at a particular point in time. Therefore, for the process to add value to the Council, assurances on the effectiveness of controls over key risks should be obtained throughout the year. This allows remedial action to take place at the earliest opportunity, thereby improving the internal control framework.
- 8.3 There is also a need to identify and resolve weaknesses by the production of an action plan. This report presents a review of the implementation of actions proposed in the Action Plan associated with the 2008/09 AGS.
- 8.4 The Action Plan detailed in annex A, sets out the current position with comments on the actions proposed in the plan.
- 8.5 The AGS for 2009/10 will be reported to the committee in June and will complete the reviews of this action plan as they will be incorporated into the action plan for the 2009/10 AGS.
- 8.6 The review of the AGS action plan and the involvement of the Audit Committee will also seen as an important component by the Audit Commission in their Use of Resources assessment.

9.0 IMPLICATIONS

- 9.1 The following implications have been identified:
- a) Financial
None
 - b) Legal

None

- c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)
None

Paul Cresswell
Corporate Director (s151)

Author: James Ingham, Head of NY Audit Partnership
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James.Ingham@Scarborough.gov.uk

Background Papers:
None

Background Papers are available for inspection at:
Location or web address

ANNUAL GOVERNANCE STATEMENT 2008/09

ACTION PLAN for implementation in 2009/10

STATUS	CONTROL ISSUE	ACTION PROPOSED	RESPONSIBILITY	TARGET DATE	CURRENT POSITION & COMMENTS
Brought Forward From 2007/2008 Action Plan	<u>Code of Conduct</u> A Code of Conduct for Members has been adopted and signed by all Members as a condition of office. A Code of Conduct for Officers is required.	Code of Conduct for Officers to be introduced following publication of the national code. Further report to be considered by Overview and scrutiny on 2 July to consider this issue.	Monitoring Officer	1/10/08 to be revised at 2/7/09 meeting of committee.	National Code for members now published, but National Code for Officers still outstanding. The current Officer code (RDC) is accessible on the Intranet and was revised in Oct 2005. Due to uncertainty a bespoke RDC version is required and will be drafted. <i>Oct 2009 ~ it is anticipated that a draft code of conduct for Officers will be presented to P&R committee in Dec 2009.</i> <i>Feb 2010: - This has been deferred and a revised target date is 30/6/2010</i>
Brought Forward From 2007/2008 Action Plan	<u>Partnerships</u> The Council will need to establish sound governance arrangements for its significant partnerships.	Identify significant partnerships and establish appropriate governance arrangements relevant to each. Partnership Governance protocol to be considered by Overview and Scrutiny Committee on 6 August 2009	Head of Transformation	31/12/08 Protocol 6/8/09 Review ongoing thereafter	The Use of Resources assessment requires Governance arrangements to be reviewed. Outcome will be reported to Overview and Scrutiny. <i>Oct 2009 ~ Completed</i>

STATUS	CONTROL ISSUE	ACTION PROPOSED	RESPONSIBILITY	TARGET DATE	CURRENT POSITION & COMMENTS
Brought Forward From 2007/2008 Action Plan	<u>Asset Management</u> The Audit Commission KIoE for UoR Action Plan 2008 notes that the Council' approach to Asset Management did not reach level 3 assessment. (Level 3 requires that the council maintains an effective asset register.).	That the software bought to assist with asset management be installed and commissioned as a priority.	Head of Resources	Fully functional by 31/12/09	Progress is being made towards populating the estates management system. <i>Oct 2009 ~ the locally designed spreadsheet to manage assets is said to be operational.</i> <i>The estates management software (a module of Uniform) has not been populated, and the date for that to be complete is suggested to be 30/6/2010.</i> <i>Feb 2010 ~ work continues to achieve this target date.</i>
New 2008/09	There are some significant weaknesses in budgetary management. (Identified through good budgetary control framework.)	Review is being undertaken of the specific budget areas, with remedial action as necessary	Corporate Director (S151) Head of Environmental Services	To be completed by 30/9/2009	Review part complete <i>Feb 2010 ~ work continues, external audit review underway.</i>
New 2008/09	There are some weaknesses in the tendering process for maintenance and small capital projects.	Review is being undertaken of the specific contracting areas, with remedial action as necessary	Corporate Director (S151) Head of Environmental Services	To be completed by 30/9/2009	Review completed.
New 2008/09	The role and responsibilities of member champions are not established within the Council	Review to be undertaken setting out necessary information for member champions and officer leads.	Head of Transformation	To be completed by 30/9/2009	<i>Oct 2009 ~ Generic Job Descriptions in place.</i> <i>Following review by Heads of Service, the role of each member champion is being developed.</i> <i>These expect to be finalised by March 2010.</i> <i>Feb 2010 ~ work continues to</i>

STATUS	CONTROL ISSUE	ACTION PROPOSED	RESPONSIBILITY	TARGET DATE	CURRENT POSITION & COMMENTS
					<i>achieve this target date.</i>
New 2008/09	There have been significant changes to the constitution in 2008/2009 and further member and officer training is required.	Training and member briefing to take place. Ongoing training as further changes are made.	Chief Executive Monitoring Officer	To be completed by 30/9/2009	<i>Oct 2009 ~ member briefing on the role of O&S cte has taken place. The Council has embarked on a series of Leadership training modules for the service unit managers, and Heads of Service, which should lead to a better understanding of the Constitution. Human Resources team are planning a series of training sessions for this group to cover core issues and skills around the basic operation of the council, including Risk management; Procurement, and these should link into the Constitution. Feb 2010 ~ work continues and training sessions have been arranged and delivered to achieve this target date.</i>
New 2008/2009	Whilst member training is provided a more structured programme is required	Member training Plan to be agreed	Head of Organisational Development	To be completed by 30/9/2009	<i>Plan in outline produced Oct 2009 ~ details are being consolidated, 1st meeting to discuss the programme has been held; 2nd to be held shortly, linking to use of the Charter Mark, and developing use of Covalent. Feb 2010 ~ largely completed, including application in Covalent; Practical rollout should commence 1/4/2010</i>

STATUS	CONTROL ISSUE	ACTION PROPOSED	RESPONSIBILITY	TARGET DATE	CURRENT POSITION & COMMENTS
New 2008/2009	The Council has a good record of achieving value for money, however more work is required to review high value services and high comparative cost services	Value for Money strategy to be taken to Policy and resources committee establishing a series of prioritised reviews	Corporate Director (s151)	Strategy by 31/7/09 reviews ongoing	Strategy to be considered by Policy Committee on 25 June 2009 <i>Feb 2010 ~ work continues</i>
New 2008/2009	Corporate Business Continuity Plan (BCP) requires testing for resilience and further may be training required.	Use consultancy days from our insurers and specialist to ensure the plan is fit for purpose and appropriate staff have currency of knowledge.	Corporate Director (s151)	To be completed by 31/12/2009	<i>Feb 2010 ~ Obtaining advice and assistance from NYCC to finalise and test BCP.</i>

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Ryedale District Council
Annual Audit Letter
On the 2008/09 Audit
December 2009

Contents

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1. Key messages

- The Statement of Accounts were closed and prepared in accordance with the agreed timetable. The Council maintained a high quality of financial reporting, with no material adjustments to the reported financial position. A small number of presentation and disclosure amendments were made.
- We signed the audit opinion on the Statement of Accounts on the 30 September 2009.
- We did not identify any material weaknesses in the financial reporting systems. Control observations were reported to the Chairs of Policy & Resources Committee and Audit & Governance Committee, on 28 September 2009, as part of our report on significant matters arising from our audit. This report was formally considered by these Committees in October 2009.
- The Whole of Government Accounts return was presented for audit after the deadline set by HM Treasury. We signed the audit opinion on the Whole of Government accounts return on 1 October 2009 in line with the required deadline.
- The Council scored 2 for Use of Resources which means it is “performing adequately”.

Action needed by the Council

The Council needs to:

- continue to focus on meeting the reporting timetable, whilst striving to further improve quality standards of all deliverables and ensuring compliance with the applicable guidance;
- consider appropriate action in respect of the control observations raised in our report to those charged with governance;
- monitor progress against the Use of Resources action plan; and
- increase its focus on International Financial Reporting Standards implementation to ensure that the required timescales are met.

2. Purpose, responsibilities and scope

The purpose of this letter

The purpose of this Annual Audit Letter is to summarise the key matters arising from the work that we have carried out in respect of the year ended 31 March 2009.

Although this letter is addressed to the members of Ryedale District Council (“the Council”), it is also intended to communicate the significant issues we have identified, in an accessible style, to key external stakeholders, including members of the public. The letter will be published on the Audit Commission website at www.audit-commission.gov.uk and also on the Council’s website.

This letter has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission. This is available from www.audit-commission.gov.uk.

Responsibilities of the auditor and the Council

We are appointed as the Council’s independent external auditors by the Audit Commission, the body responsible for appointing auditors to local public bodies in England, including Councils.

As the Council’s appointed external auditor, we are responsible for planning and carrying out an audit that meets the requirements of the Audit Commission’s Code of Audit Practice (“the Code”). Under the Code, we have responsibilities in two main areas:

- the Council’s accounts; and
- whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (value for money conclusion).

The scope of our work

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (“ISA plus”) as adopted by the UK Auditing Practices Board (“APB”). The audit opinion on the accounts reflects the financial reporting framework adopted by the Council, being the Statement of Recommended Practice for Local Authorities 2008 (“SORP 2008”).

3. The audit of the accounts

Key issues arising from the audit of the accounts

We issued an unqualified opinion on the Councils 2008/09 accounts on 30 September 2009, in accordance with the deadline set for local authorities. Our opinion confirms that the accounts present fairly the financial position of the Authority and its income and expenditure for the year.

Before we give our opinion on the accounts, we are required to report to those charged with governance any significant matters arising from the audit. A detailed report was discussed with the Chairs of Policy & Resources Committee and Overview & Scrutiny Committee on 28 September 2009 and there were no key issues to report. The report was formally considered by these Committees in October 2009.

We received a near complete set of draft accounts in advance of the agreed deadline, which were supported by working papers. The finance staff were helpful throughout the process and responded swiftly to all queries. This performance reflects well on the professionalism of the finance staff and their commitment to maintaining high-level controls over financial systems. Amendments were made to some of the disclosures to bring them into line with the 2008 SORP and the presentation of the cash flow statement was revised.

Audit certificate

When our audit is complete we are required to certify the closure of the audit. The audit certificate was issued on 30 September 2009.

4. Value for money

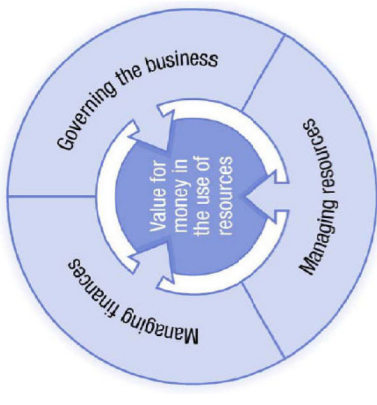
Background

Under the Code of Audit Practice, we are required to give a 'yes/no' opinion on whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources. This is known as the value for money conclusion and is given within our audit report on the Council's Statement of Accounts.

We are also required to assess how well Councils manage and use their financial resources by providing scored judgements on the Council's arrangements in three themes as specified by the Audit Commission. This is known as the Use of Resources ("UoR") assessment.

The UoR assessment considers how well organisations are managing and using their resources to deliver value for money and better and sustainable outcomes for local people. The assessment comprises three themes that focus on:

- sound and strategic financial management;
- strategic commissioning and good governance; and
- the management of natural resources, assets and people.



Value for money conclusion

In line with guidance received from the Audit Commission we issued an "except for" value for money conclusion for the 2008/09 financial year. This means that we are satisfied that the Council put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources during the year in all areas other than for key line of enquiry ("KLOE") 1.2, which considers whether the Council has a sound understanding of its costs and performance, and whether it achieves efficiencies in its activities. We would note, however, that the Council has already made significant improvements in this area during the current financial year and that the UoR assessment focused on the arrangements in place in 2008/09.

4. Value for money (continued)

Use of Resources

This year the UoR assessment has been made more demanding than previous assessments. The KLOE are more broadly based than previously and focus more on value for money achievements, outputs and outcomes rather than on processes.

We assessed the Council's arrangements across three themes. The scores for each theme are based on the scores on the underlying KLOEs. Each KLOE was scored on a scale of one to four, with four being the highest.

Overall, the Council scored a 2 for UoR which classifies the Council as "performing adequately". The scores by theme are outlined below. The detailed KLOE scores are included in Appendix 1.

Theme	Score (out of 4)
Managing finances	2
Governing the business	2
Managing resources	2

Key issues arising from the review of the Council's use of resources

A separate report on UoR was provided to the Senior Management Team on 13 November 2009. This summarised the detailed KLOE assessments and suggested areas for development. This confirms that the Council is in a strong position to demonstrate improved arrangements during 2009/10, including the projected outcomes arising from revised arrangements implemented in 2008/09.

Looking forward

The Council is already well advanced in thinking about 2009/10 and has in place an action plan which outlines key objectives, timescales and responsible officers. The 2009/10 UoR assessment will introduce a new KLOE, (KLOE 3.1), which assesses whether the organisation is making effective use of natural resources.

5. Other matters

Reports issued

A listing of the reports issued during the course of the 2008/09 audit is included in Appendix 2.

Analysis of audit fees

An analysis of audit fees is shown in Appendix 3 to this letter.

Independence and objectivity

In our professional judgement, our policies and safeguards in place ensure that we are independent within the meaning of all regulatory and professional requirements and that the objectivity of the audit partner and audit staff is not impaired.

Grants

We have undertaken work during the year on various grant claims made by the Council. All of our work on the 2008/09 grant claims is now complete and a separate report will be prepared in respect of the findings from this work.

International Financial Reporting Standards (“IFRS”)

The Council will be required to prepare IFRS compliant accounts for the year-ending 31 March 2011 and therefore comparative IFRS balances for the year from 1 April 2009 to 31 March 2010. The Whole of Government Accounts return for 2009/10 will also be required to be submitted under IFRS.

Finance staff will be leading on the transition to IFRS. Whilst no formal project plan is in place, responsibility for the transition has been allocated, and the data capture and analysis has begun. Staff have attended various technical/professional training sessions to date. We have recently completed an Audit Commission return on the Council’s state of readiness for IFRS and concluded that the Council is broadly on track, but there remain some significant challenges ahead. We will continue to work closely with the Council to assess progress against the required timescales.

Use of Resources Action Plan

The Council has an action plan in place. We will continue our work with the Council in this area, for example through challenge meetings on particular KLOEs.

6. Closing remarks

This letter has been discussed and agreed with the Chief Executive and the Senior Management Team. A copy of the letter will be presented at the Overview and Scrutiny Committee on 18 February 2010.

We would like to take this opportunity to express our appreciation for the assistance and co-operation provided during the course of the audit. Our aim is to deliver a high standard of audit which makes a positive and practical contribution which supports the Council's own agenda. We recognise the value of your co-operation and support.

Deloitte LLP

Chartered Accountants

Leeds, England

December

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body and this report is prepared on the basis of, and our audit work is carried out, in accordance with that statement.

The matters raised in this report are only those that came to our attention during our audit and are not necessarily a comprehensive statement of all weaknesses that exist or of all improvements that might be made. You should assess recommendations for improvements for their full implications before they are implemented. In particular, we would emphasise that we are not responsible for the adequacy and appropriateness of the national use of resources study data and methodology as they are derived solely from the Audit Commission.

This report sets out those audit matters of interest which came to our attention during the audit. Our audit was not designed to identify all matters that may be relevant to the Members and this report is not necessarily a comprehensive statement of all weaknesses which may exist in internal control or of all improvements which may be made.

This report has been prepared for the Members, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose.

An audit does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the Annual Audit Letter since first published. These matters are the responsibility of the Authority but no control procedures can provide absolute assurance in this area.

Appendix 1: Use of resources scores (by KLOE)

Overall area	KLOE	KLOE score (out of 4)
Managing finances	1.1 Does the organisation plan its finances effectively to deliver its strategic priorities and secure sound financial health?	2
	1.2 Does the organisation have a sound understanding of its costs and performance and achieve efficiencies in its activities?	1
	1.3 Is the organisation's financial reporting timely, reliable and does it meet the needs of internal users, stakeholders and local people?	2
Theme total - Managing finances		2
Governing the business	2.1 Does the organisation commission and procure quality services and supplies, tailored to local needs, to deliver sustainable outcomes and value for money?	2
	2.2 Does the organisation produce relevant and reliable data and information to support decision making and manage performance?	2
	2.3 Does the organisation promote and demonstrate the principles and values of good governance?	2
	2.4 Does the organisation manage its risks and maintain a sound system of internal control?	2
Theme total - Governing the business		2
Managing resources	3.3 Does the organisation plan, organise and develop its workforce effectively to support the achievement of its strategic priorities?	2
Theme total - Managing resources		2

Appendix 2: Reports issued re 2008/09 audit

Report	Date issued
Audit Plan	July 2008
Report to those charged with governance on the 2008/09 audit	September 2009
Report to the Senior Management Team on Use of Resources	November 2009
Annual Audit Letter	December 2009

Appendix 3: Analysis of professional fees

	2009 £'000	2008 £'000
Statement of Accounts	40	40
Use of resources and Data Quality	35	25
Whole of Government Accounts (WGA)	4	4
Total fees for work carried out under the Code of Audit Practice	79	69
Fees payable in respect of the certification of grant claims and returns of the Council	25	17
Total	104	86

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Ryedale District Council
Grant claims and returns 2008/09
Audit Letter
January 2010

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1. Grant claims and returns certified for 2008/09

The following claims and returns have been certified and delivered to the appropriate authorities within the relevant deadlines:

Claim or return	Value of claim	Date received	Date certified	Certification deadline	Adjustments required	Qualification letter issued
Housing benefit and council tax	£11.5m	2/6/09	21/10/09	30/11/09	Yes	No
National non-domestic rates return	n/a	27/7/09	14/9/09	25/9/09	No	No
Disable facilities grant	£192k	6/7/09	10/9/09	30/9/09	Yes	No
Moors project delivery team	£44k	3/7/09	8/9/09	30/9/09	No	No
Revitalise Malton	£177k	3/7/09	8/9/09	30/9/09	No	No

Notes

- All claims with a project lifetime value of over £100,000 require certification by the auditors. The claim for Moors project delivery team had a lifetime value exceeding £100,000 although the 2008-09 claim was only small, therefore an audit was required this year.
- See page 3 for detail of adjustments required and qualification letters issued.
- An analysis of certification fees is shown in Appendix 1 to this letter.

2. Adjustments and qualification letters issued

Adjustments

- The housing benefit and council tax claim required one minor adjustment of £1 to eliminate rounding errors.
- The Disabled facilities grant required two adjustments, but only one affected the value of the claim. The first adjustment was in respect of the prior year carryover which was under-spent by £224 in the current year, hence £224 was found to be repayable by Ryedale DC. A further adjustment to the current year carry forward was found to be required – for 2008-09 the grant rate had changed from 60% to 100%, the grant was fully spent in the year up to the capped amount, and so no further amounts were available to carry forward into 2009-10.

Qualification letters issued

- None issued.

3. Commentary on Housing benefit and council tax claim

Certification approach

- Certification instruction BEN01, issued by the Audit Commission, was followed and using the HB COUNT 2009 instructions, a Modular Approach was used to certify the claim.
- The system parameters specified by the NAO (ie this year's benefit rates and allowances) were agreed to those in use at Ryedale DC - work was performed at a preliminary stage in early June 2009.
- Workbooks supplied by the Audit Commission were used to test a sample of 20 cases (10 new and 10 change of circumstances) for each of the four benefit types (non-HRA rent rebates, rent rebates (not applicable for the Council), rent allowances and council tax benefit). At Ryedale DC we tested a total of 47 cases, reflecting the number of cases in the 3 applicable benefit types. An increased amount of detailed guidance was provided this year by the Audit Commission on how the workbooks were to be completed and this led to increased time required to carry out the case testing and workbook completion.
- The Audit Commission estimate that a full 80 cases should take 26 working days to test via the workbooks. Pro-rated for 47 cases, the estimated time for testing is 15 days and our completion of the workbook testing took 17.5 working days, so compares well to the Audit Commissions guide time.
- A review of the Civica software controls was performed.

Summary of findings

- No additional "40+" testing of a further 40 cases was deemed necessary. No errors were noted in our test cases.
- The Civica software was found to be operating effectively.
- A £1 rounding error amendment was required to the claim form.

3. Commentary on Housing benefit and council tax claim (continued)

Looking forward - 2009/10

At the time of writing this report, there is one change that the Audit Commission has announced. They will "introduce a change requested by the Department for Work and Pensions ("DWP") to the sample selection and testing methodology. For 2009/10, an initial sample of 20 cases will be selected at random from the audit trail supporting the headline cell for each of the four benefit types (non-HRA rent rebates, rent rebates, rent allowances and council tax benefit). A total of up to 80 cases is needed where the authority awards all four benefit types as before, but the sample will not be split between new claims and change of circumstance cases. A case is defined by its case reference number and DWP now requires all transactions in the year in relation to the case to be examined. Depending on the complexity of the cases in the sample, this may increase the number of transactions to be examined in comparison with the 2008/09 approach."

The increase would arise where we have previously tested a 'change of circumstance' case from part way through the year. We would now test it from start to finish for the 2009/10 financial year.

We are also aware that Ryedale DC is planning on changing the benefits software from Civica to Northgate during 2010. Having witnessed a different authority's conversion during 2009, we must stress how important it is to have a project manager for the changeover. In particular, it is important to keep a printout or backup/download of the closing position per the old system prior to conversion and the opening position per the new system after conversion. This should provide a full audit trail and enable the audit of the claim to run smoothly in 2010/11.

We would be happy to share our experiences of conversion to Northgate with you in a separate meeting to help the process run as smoothly as possible.

4. Observations and recommendations arising from our certification work

Disabled facilities grant

- The claim form was incorrectly completed since the change in the rate of grant was not taken into account. The rate of grant increased from 60% to 100%, but was capped at £192,000 for Ryedale DC for 2008/09. This meant that this year's allocation had been fully utilised, using a grant rate of 100%, whereas the claim form had been completed using the 60% rate and an unspent excess had been incorrectly carried forward.
- The changes we notified in a publication sent to local authorities in February 2008 entitled "Disabled Facilities Grant - The package of changes to modernise the programme". Care should be taken to retain and re-read such publications prior to finalising any claims and preparing claim forms.

4. Observations and recommendations arising from our certification work (continued)

Completion of claim forms for Yorkshire Forward Single Programme – “Statement of Grant Expenditure”

The following are general comments regarding the Yorkshire Forward (“YF”) Single Programme which we thought you might find helpful. No errors were found in this respect in Ryedale’s claims.

- It is the total lifetime claim for the project that is relevant when determining whether the audit threshold is breached, not the claim for a particular year. In Table 1 of the claim form, the lower of cells 1.(a) and 1.(b) plus the lower of cells 2.(a) and 2.(b) should be added together for each year of the project.
- Care should be taken when completing the backing schedules of the claim form:
 - a) In Table 1 – the total of column (b) must match column 3 of Schedule 1B.
 - b) In Schedule 1A – column 2 should equal the funding approved in the offer letter or the latest letter of variation.
 - c) In Schedule 1B – column 2 must equal column 7.
- The eligible expenditure defrayed (Table 1 column(b)) should be recorded on a payments basis, not an accruals/invoice basis. Payments made by partners may be included in the last quarter of 2008/09 even if Ryedale DC has not reimbursed the partner by the grant year end (31/3/09). If YF gives instruction that accruals should be included in the claim; confirmation should be sought to ensure that there will be no repercussions at a later date when the claim is certified and a qualification letter is issued due to non-compliance with the Audit Commission certification instructions.

5. Closing remarks

This letter has been discussed and agreed with the Director of Finance of the Council. A copy of the letter will be presented at the meeting of Overview and Scrutiny on 18 February 2010.

We would like to take this opportunity to express our appreciation for the assistance and co-operation provided during the course of the certification work. Our aim is to deliver a high standard of work which makes a positive and practical contribution which supports the Council's own agenda. We recognise the value of your co-operation and support.

Deloitte LLP

Deloitte LLP
Chartered Accountants

12 January 2010

The matters raised in this report are only those that came to our attention during our certification work and are not necessarily a comprehensive statement of all weaknesses that exist or of all improvements that might be made. You should assess recommendations for improvements for their full implications before they are implemented. In particular, we would emphasise that we are not responsible for the adequacy and appropriateness of the certification methodologies as they are derived solely from the Audit Commission.

This report has been prepared for the Members, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose.

Appendix 1: Analysis of certification fees

Claim or return	2009 £'000	2008 £'000
Housing benefit and council tax	16.1	7.7
National non-domestic rates return	6.4	3.2
Disabled facilities grant	1.1	2.2
Moors project delivery	0.8	1.9
Revitalize Malton	1.0	n/a
Broadband GAP project	n/a	1.5
Total	25.4	16.5

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REPORT TO:	OVERVIEW & SCRUTINY COMMITTEE
DATE:	18 FEBRUARY 2010
REPORT OF THE:	CORPORATE DIRECTOR (s151) PAUL CRESSWELL
TITLE OF REPORT:	INTERNATIONAL FINANCIAL REPORTING STANDARDS
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 To inform Members of the current position of this council with regard to the transition to International Financial Reporting Standards (IFRS) and of the likely impact it will have on the Statement of Accounts.

2.0 RECOMMENDATION

- 2.1 It is recommended that Members note the contents of the report.

3.0 REASON FOR RECOMMENDATION

- 3.1 The introduction of IFRS is a major change in public sector accounting. Due to the nature and complexity of the conversion to IFRS adopting a structured approach to its implementation should ensure a smooth transition.

4.0 SIGNIFICANT RISKS

- 4.1 There are no significant risks associated with this report as it is for information only. However, failure to comply with the new statutory reporting requirements could mean a qualified audit opinion on the 2010/11 accounts and have an adverse effect on the reputation of the Council and the Use of Resources judgement.

REPORT

5.0 BACKGROUND AND INTRODUCTION

- 5.1 The annual financial statements for this Council and other local authorities are currently prepared using UK accounting standards (UK GAAP). The government have determined that the whole of the public sector will prepare its accounts using IFRS. Central government and the NHS will be reporting under IFRS in 2009/10 and local authorities from the next financial year 2010/11.

5.2 Although IFRS is to be effectively implemented in the 2010/11 financial year there will be a stepped transition to the production of the Council's Statement of Accounts on a solely IFRS basis. There are three key stages in this transition:

- Restate the opening balance sheet as at 1 April 2009 to comply with IFRS.
- Prepare the accounts for the 2009/10 financial year in accordance with UK GAAP and also restate these accounts to comply with IFRS, meaning that the 2009/10 financial statements will be prepared in both UK GAAP and IFRS formats.
- Prepare the 2010/11 financial statements on an IFRS basis only.

6.0 POLICY CONTEXT

6.1 The successful introduction of the IFRS accounting requirements will contribute to the aim of being a well run council and provide necessary evidence into the Use of Resources judgement process.

7.0 CONSULTATION

7.1 It is important that we engage with our external auditors throughout the transition period to establish any audit trail and expectations regarding the preliminary views on accounting treatment, materiality considerations, audit timetables and the preparing of working papers.

7.2 To assist a smoother transition advice will be sought from specialists in specific technical areas.

8.0 REPORT DETAILS

8.1 Annex A lists the key stages of the implementation of IFRS and provides an indication of what progress has been made by officers to date.

8.2 The Code of Practice on Local Authority Accounting in the United Kingdom for 2010/11 was published in late December 2009. Indications are that CIPFA will publish a practitioners guide for the new code in June 2010.

8.3 In the meantime an impact assessment has been carried out with the assistance of the Sector Technical Advisory Service and key officers have been identified to support the transition to IFRS.

8.4 The impact on financial systems will be minimal with no upgrades being required. There will however have to be some reclassification in certain areas of the chart of accounts to accommodate changes in the presentation of the financial statements.

8.5 Capital accounting software has been procured which when fully implemented will assist both Property Services and Finance in meeting the changes in the IFRS method of accounting for fixed assets.

8.6 All existing leases (where the Council is either the lessee or the lessor) will have to be reviewed, as there are slightly different definitions that will mean some leases will be defined as finance leases rather than operating leases and treated differently in the accounts.

8.7 IFRS introduces the concept of 'embedded lease arrangements'. Implementation could require the Council to recognise the leasing of assets held by contractors but

used solely for the Council's contracts. This could potentially have an impact for the Council because it would require a review of major contracts and partnerships.

- 8.8 Material components of assets should be accounted for separately where parts of the building have a different asset life, such as boilers and lifts. This requirement, however, will only apply as assets or components are acquired, replaced or revalued after 1 April 2010. This may lead to additional work for the Valuation Officer and more assets being held on the asset register.
- 8.9 Certain assets will require a different valuation method than used currently and some may need to be re-categorised. Two valuations may be needed for 2009/10, one for the accounts under UK GAAP and one for the restated valuation in the 2010/2011 accounts under IFRS.
- 8.10 Under IFRS a local authority will only need the power to influence another entity (rather than to actually exercise it) for it to be treated as part of the group. A full review of all related parties will need to be carried out to assess if group accounts are required. If they are, it would have a significant impact on the Council's closure of accounts process.
- 8.11 All benefits payable during employment will need to be accounted for in the period in which the employee has earned the benefit. All untaken holiday, time off in lieu and flexitime will need to be accrued for. Additional information will therefore need to be collected to present the accounts.
- 8.12 There are significant changes to the main statements and the new format will need to be explained to Members at an early stage prior to the submission of the Statement of Accounts for scrutiny. IFRS requires more disclosure notes than is currently the case and it is expected that this will result in a significant increase in the size of the Statement of Accounts.
- 8.13 Whilst some of the changes will give rise to a change in the net expenditure reported each year, CIPFA have stated any impact on Council Tax will be mitigated through statutory adjustments.
- 8.14 Members will be kept updated on the progress being made.

9.0 IMPLICATIONS

- 9.1 The following implications have been identified:
- a) Financial
None currently. It is the intention that the extra workload required from the project team and the cost of any external specialist advice will be kept within existing financial resources.
 - b) Legal
There is a legal requirement to produce accounts on an IFRS basis from the 2010/11 financial year onwards.
 - c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)
Not applicable.

Paul Cresswell
Corporate Director (s151)

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Background Papers:
LAAP Bulletin 80 (CIPFA, March 2009)

Background Papers are available for inspection at:
Finance Section

PLAN OF PROGRESS TO IFRS

Current Tasks	Progress Status
Identify key areas of impact	Completed <ul style="list-style-type: none"> • Impact assessment • Leases • Tangible assets • Employees benefits
Identify key staff	Completed <ul style="list-style-type: none"> • Corporate Director (s151) • Finance & Revenue Services Manager • Group Accountants • Valuation Officer • Legal Officer • Human Resources Officer
Staff Training on IFRS	On-going <ul style="list-style-type: none"> • Attendance at CIPFA workshops and briefings • Networking with practitioners of neighbouring and other local authorities
Identify and implement any systems or procedural changes	Completed <ul style="list-style-type: none"> • No significant changes to corporate FMS Almost complete <ul style="list-style-type: none"> • Implementation of new capital accounting software On-going <ul style="list-style-type: none"> • Recording of employee benefits • Lease arrangements
Identify and obtain the key information required to restate the 1 April 2009 balance sheet under IFRS	Completed <ul style="list-style-type: none"> • Employees benefits Almost complete <ul style="list-style-type: none"> • Leases On-going <ul style="list-style-type: none"> • Revaluation and reclassification of tangible assets
Prepare 2010/11 budget for IFRS status	Completed
Progress report to Overview and Scrutiny Committee	February 2010
Future Key Stages	Target Dates
Prepare full skeleton IFRS accounts with comparatives and agree with auditors	30/06/10
Restate 2009/10 accounts in parallel with the main 2009/10 accounts process including reconciliation between UK GAAP and IFRS	30/09/10
Submission of 2009/10 Whole of Government Accounts on IFRS basis	30/09/10
Preparation of 2010/11 Statement of Accounts on IFRS basis	01/04/11 to 30/06/11
External Audit of first set of IFRS Statement of Accounts	01/07/11 to 30/09/11

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REPORT TO: FULL COUNCIL

DATE: 22 FEBRUARY 2010

REPORT OF THE: CORPORATE DIRECTOR (s151)
PAUL CRESSWELL

TITLE OF REPORT: TREASURY MANAGEMENT STRATEGY STATEMENT AND
ANNUAL INVESTMENT STRATEGY 2010/11

WARDS AFFECTED: ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

1.1 To consider the Treasury Management and Annual Investment Strategies, the Minimum Revenue Provision Policy and set the Prudential Indicators for 2010/11.

2.0 RECOMMENDATIONS

2.1 It is recommended that:

- (i) Members receive this report;
- (ii) The revised CIPFA Treasury Management Code of Practice (Annex B in the report) be noted and approved by the Council.
- (iii) The Treasury Management and Investment Strategies be noted and approved by the Council.
- (iv) That the Prudential Indicators (Annex F in the report) be approved by the Council.

3.0 REASON FOR RECOMMENDATIONS

3.1 The CIPFA Code of Practice on Treasury Management in Local Authorities (The Code) was adopted by the Council.

3.2 The Local Government Act 2003 and supporting regulations requires the Council to have regard to specified codes of practice, namely the CIPFA publications *Prudential Code for Capital Finance in Local Authorities* and *Treasury Management in the Public Services; Code of Practice and Cross Sectoral Guidance Notes*.

4.0 SIGNIFICANT RISKS

- 4.1 There are significant risks when investing public funds especially with unknown institutions. However, by the adoption of the CIPFA Code and a prudent investment policy these are minimised. The employment of Treasury Advisors also helps reduce the risk.

REPORT

5.0 BACKGROUND AND INTRODUCTION

- 5.1 The CIPFA Code states that Members will receive reports on its Treasury Management policies, practices and activities at intervals, to include quarterly statements and an annual strategy together with an annual post year review. The Code has been recently reviewed and the changes for Members to consider for adoption are shown in the report.
- 5.2 The Local Government Act 2003 introduced legislation governing capital investment decisions, emphasis is now placed on Local Authority self regulation which is governed by the 2003 Prudential Code for Capital Finance in Local Authorities.
- 5.3 The Prudential Code regulates the manner in which capital spending plans are to be considered and approved, and in conjunction with this, the development of an integrated Treasury Management Strategy. It requires the Council to set a number of Prudential Indicators, and these are to be considered when determining the Council's Treasury Management Strategy.
- 5.4 The Treasury Management Strategy Statement details the expected activities of the Treasury function in the forthcoming financial year (2010/11). Its production and submission to the Council is a requirement of the Code.
- 5.5 The Local Government Act 2003 also requires Authorities to produce an Annual Investment Strategy, which should be approved by the Full Council. The Strategy will set out the Council's policies for the prudent management of its investments including the security and liquidity of those investments. It details the Specified and Non Specified Investment Instruments to be used by the Council and any fund manager in 2010/11. Approval is also sought for the specified use of credit ratings and the maximum periods for which funds may be prudently committed in each asset category.
- 5.6 The suggested strategies for 2010/11 are based upon advice from the Council's treasury advisors, Sector Treasury Services Limited (Sector).

6.0 POLICY CONTEXT

- 6.1 The Council has adopted the CIPFA Code of Practice on Treasury Management in Local Authorities and this report complies with the requirements under this code and the relevant requirements of the Local Government Act 2003.

7.0 CONSULTATION

- 7.1 The Council use the services of Sector Treasury Services Limited to provide treasury management information and advice.

8.0 REPORT DETAILS

The Revised CIPFA Treasury Management Code of Practice 2009

8.1 In the light of the Icelandic situation in 2008, CIPFA has amended the CIPFA Treasury Management in the Public Services Code of Practice (the Code), Cross-Sectoral Guidance Notes and the template for the revised Treasury Management Policy Statement. It is also a requirement of the Code that this Council should formally adopt the Code. As the Code has been revised, there is a separate Annex B to this report where the Council is asked to adopt the revised Code and the revised Treasury Management Policy Statement shown in Annex C.

8.2 This strategy statement has been prepared in accordance with the revised Code. Accordingly, the Council's Treasury Management Strategy will be approved annually by the Full Council and there will also be a mid year report. In addition there will be monitoring reports and regular review by Members in policy and scrutiny functions. The aim of these reporting arrangements is to ensure that those with ultimate responsibility for the treasury management function appreciate fully the implications of treasury management policies and activities, and that those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting.

Revised CIPFA Prudential Code

8.3 CIPFA has also issued a revised Prudential Code, which primarily covers borrowing and the Prudential Indicators. Three of these indicators have now been moved from being Prudential Indicators to being Treasury Indicators:

- Authorised limit for external debt
- Operational boundary for external debt
- Actual external debt

8.4 However, all indicators are to be presented together as one suite, shown in Annex F. In addition, where there is a significant difference between the net and the gross borrowing position, the risks and benefits associated with this strategy should be clearly stated in the annual strategy.

TREASURY MANAGEMENT STRATEGY FOR 2010/11

8.5 The Local Government Act 2003 (the Act) and supporting regulations requires the Council to 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

8.6 The Act therefore requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance issued subsequent to the Act); this sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

8.7 The suggested strategy for 2010/11 in respect of the following aspects of the treasury management function is based upon the treasury officers' views on interest rates, supplemented with leading market forecasts provided by the Council's treasury adviser Sector Treasury Services. The strategy covers:

- Treasury limits in force which will limit the treasury risk and activities of the Council
- Current portfolio position
- The borrowing requirement

- Prudential and Treasury Indicators
- Prospects for interest rates
- The borrowing strategy
- Policy on borrowing in advance of need
- The Minimum Revenue Provision strategy
- The investment strategy
- Creditworthiness policy
- Policy on use of external service providers

Treasury Limits for 2010/11 to 2012/13

- 8.8 It is a statutory duty under Section 3 of the Act and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the “Affordable Borrowing Limit”. In England and Wales the Authorised Limit represents the legislative limit specified in the Act.
- 8.9 The Council must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax levels is ‘acceptable’.
- 8.10 Whilst termed an “Affordable Borrowing Limit”, the capital plans to be considered for inclusion incorporate financing by both external borrowing and other forms of liability, such as credit arrangements. The Authorised Limit is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years, details of the Authorised Limit can be found in Annex F of this report.

Current Portfolio Position

- 8.11 The Council’s treasury portfolio position at 31 December 2009 comprised:

	£'000
Investments Internally Managed:	
Temporary investments	4,980
Fixed term deposits	5,000
Investments Externally Managed:	
Fixed term deposits	5,000
Total Investments	14,980

Borrowing Requirement

- 8.12 The funding of the proposed 4-year Capital Plan shows that borrowing will be required, however, this will not be the case in 2010/11. The Council’s borrowing requirement is expected to be as follows:

	2008/09 Actual £'000	2009/10 Probable £'000	2010/11 Estimate £'000	2011/12 Estimate £'000	2012/13 Estimate £'000
New Borrowing	0	0	0	2,450	0
Alternative financing arrangements	0	0	0	0	0
Replacement borrowing	0	0	0	0	0
Total borrowing requirement	0	0	0	2,450	0

Prudential and Treasury Indicators for 2010/11 to 2012/13

- 8.13 Prudential and treasury indicators (as set out in Annex F to this report) are relevant for the purposes of setting an integrated treasury management strategy.
- 8.14 The Council is also required to indicate if it has adopted the CIPFA Code of Practice on Treasury Management. This original 2001 Code was adopted on 10 October 2002 by the Full Council and the revised Code will be adopted on 22 February 2010.

Prospects for Interest Rates

- 8.15 The Council has appointed Sector Treasury Services as treasury advisor to the Council and part of their service is to assist the Council to formulate a view on interest rates. Annex I draws together a number of current City forecasts for short term (Bank Rate) and longer fixed interest rates. The following table gives the Sector central view:

Sector Bank Rate forecast for financial year ends (March):

2010	0.50%
2011	1.50%
2012	3.50%
2013	4.50%

There is downside risk to these forecasts if recovery from the recession proves to be weaker and slower than currently expected.

Borrowing Strategy – External v Internal Borrowing

- 8.16 The table below shows a comparison of gross and net position at the year end:

	2008/09 Actual £'000	2009/10 Probable £'000	2010/11 Estimate £'000	2011/12 Estimate £'000	2012/13 Estimate £'000
Actual external debt (gross)	0	0	0	2,396	2,339
Cash balances	-14,300	-12,000	-7,054	-6,860	-6,830
Net debt	-14,300	-12,000	-7,054	-4,464	-4,491

The net position is a negative one, reflecting the fact that cash balances exceed the Council's planned borrowing for capital expenditure.

Policy on Borrowing in Advance of Need

- 8.17 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds. In determining whether borrowing will be undertaken in advance of need the Council will:

- Ensure the on-going revenue liabilities created, and the implications for the future plans and budgets have been considered
- Evaluate the economic and market factors that might influence the manner and timing of any decision to borrow
- Consider the merits and demerits of alternative forms of funding
- Consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use.

Minimum Revenue Provision (MRP) Policy

- 8.18 The Minimum Revenue Provision is the method by which an Authority charges the cost of borrowing for the purchase of capital assets to its revenue account.
- 8.19 The Provision is determined under guidance though Statutory Instrument 2008 no. 414. The guidance requires the policy for the calculation of MRP to be approved by Full Council.
- 8.20 There is currently no requirement for this Council to make an annual MRP as the Council was debt free and had a nil Capital Financing Requirement at the end of the previous financial year. It is expected this will also be the case for the next financial year.

ANNUAL INVESTMENT STRATEGY

Investment Policy

- 8.21 The Council will have regard to the CLG's Guidance on Local Government Investments ("the Guidance") issued in March 2004, any revisions to that guidance, the Audit Commission's report on Icelandic investments and the 2009 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities are:
- The security of capital and
 - The liquidity of its investments

The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.

Investment instruments identified for use in the financial year are listed in Annex G under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set through the Council's Treasury Management Practices schedules.

Creditworthiness Policy

- 8.22 This Council uses the creditworthiness service provided by Sector Treasury Services. This service has been progressively enhanced over the last year and now uses a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moodys and Standard and Poors, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:
- Credit watches and credit outlooks from credit rating agencies
 - Credit Default Swaps (CDS) spreads to give early warning of likely changes in credit ratings
 - Sovereign ratings to select counterparties from only the most creditworthy countries
- 8.23 This modelling approach combines credit ratings, credit watches, credit outlooks and CDS spreads in a weighted scoring system for which the end product is a series of colour code bands, which indicate the relative creditworthiness of counterparties.

These colour codes are also used by the Council to determine the duration for investments and are therefore referred to as durational bands. The Council is satisfied that this service now gives a much improved level of security for its investments. It is also a service that the Council would not be able to replicate using in house resources.

8.24 The selection of counterparties with a high level of creditworthiness will be achieved by selection of institutions down to a minimum durational band within Sector's weekly credit list of worldwide potential counterparties. The Council will therefore use counterparties within the following durational bands:

- Purple 2 years
- Blue 1 year (only applies to nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 3 months
- No colour not to be used

8.25 This Council will not use the approach suggested by CIPFA of using the lowest rating from all three rating agencies to determine creditworthy counterparties as Moodys are currently very much more aggressive in giving low ratings than the other two agencies. This would therefore be unworkable and leave the Council with few banks on its approved lending list. The Sector creditworthiness service does though, use ratings from all three agencies, but by using a scoring system, does not give undue preponderance to just one agency's ratings.

8.26 On-going monitoring of all credit ratings is undertaken. The Council is alerted changes to ratings of all three agencies through its use of the Sector creditworthiness service. If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately. In addition to the use of Credit Ratings the Council will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Councils lending list.

8.27 Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on government support for banks and the credit ratings of that government support.

Country Limits

8.28 The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch Ratings (or equivalent from other agencies if Fitch does not provide) The list of countries that qualify using this credit criteria as at the date of this report are shown in Annex H. This list will be added to or deducted from by officers should ratings change in accordance with this policy.

Investment Strategy to be followed In-house

8.29 The Council's in-house managed funds are split between cash flow derived balances and £2.5m of core investments available for lending over a 1-2 year period. Investments will accordingly be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

- 8.30 In the current economic climate it is considered appropriate to keep investments short-term and invest only with highly credit rated financial institutions. The liquidity of the Council's assets is an important consideration in view of the significant capital investment planned in the capital programme.
- 8.31 From time to time the fixed rate investments may span financial years. Currently the Council has 3 investments totalling £4.0m on deposit, which will mature between 30 April 2010 and 12 October 2010.

External Cash Fund Management

- 8.32 Tradition (UK) Limited (Tradition) is a cash manager, appointed to manage, on a discretionary basis, a proportion of the Council's investment portfolio.
- 8.33 The Council's external fund manager will comply with the Annual Investment Strategy. The agreement between the Council and Tradition additionally stipulate guidelines and duration and other limits in order to contain and control risk. Tradition is permitted to invest only in fixed term deposits, thus providing a level of certainty to investment returns.
- 8.34 Currently £5m of the Council's funds is externally managed by Tradition, with 3 investments totalling £3.5m spanning financial years, which will mature between the 20 April 2010 and 4 June 2010.

End of Year Investment Report

- 8.35 At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

Policy on use of external service providers

- 8.36 The Council uses Sector Treasury Services as its external treasury management advisers. However, the Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.
- 8.37 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

9.0 IMPLICATIONS

- 9.1 The following implications have been identified:
- a) Financial
The results of the investment strategy affect the funding of the Capital Programme.
 - b) Legal
There are no legal implications regarding this report.
 - c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)
None to report.

Paul Cresswell
Corporate Director (s151)

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Background Papers:

None.

Background Papers are available for inspection at:

None.

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TREASURY MANAGEMENT STATEMENT AND INVESTMENT STRATEGY REPORT- RISK MATRIX – ANNEX A

Issue/Risk	Consequences if allowed to happen	Likelihood	Impact	Mitigation	Mitigated Likelihood	Mitigated Impact
Credit risk - associated with investing with financial institutions that do not meet the credit rating criteria.	Could mean loss of principal sum and interest accrued.	2	D	In response to the economic climate Members agreed to adopt a more stringent credit rating methodology. The adoption of the revised Code will also mitigate the risk of security on lending.	1	D
Market risk - Selection of wrong type of investment for higher return.	The poor performance of the chosen investment.	3	B	The number of investment options was reduced in the Investment Strategy for the current year and this policy has been continued.	3	B
Liquidity risk - Use of fixed term deposits and / or instruments / investments with low marketability may mean a lack of liquidity	Unable to take advantage of better investment options. Funds are unavailable to cover capital spend.	2	B	Since the adoption of the new credit rating methodology the maturity profile has shortened for investments. The 2010/11 Investment Strategy reduces the period for non- specified investments.	1	B

Score	Likelihood	Score	Impact
1	Very Low	A	Low
2	Not Likely	B	Minor
3	Likely	C	Medium
4	Very Likely	D	Major
5	Almost Certain	E	Disaster

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ADOPTION OF THE CIPFA TREASURY MANAGEMENT CODE OF PRACTICE 2009

Introduction

The CIPFA Code of Practice on Treasury Management in Local Authorities was last updated in 2001 and has been revised in 2009 in the light of the default by Icelandic banks in 2008. The revised Code requires that a report be submitted to the Council, board or other appropriate body, setting out four amended clauses, which should be formally passed in order to approve adoption of the new version of the Code of Practice and Cross-Sectoral Guidance Notes.

The revised Code also includes an amended version of the treasury management policy statement (TMPS) incorporating just three clauses and a revised definition of treasury management activities. The Code does not require this statement to be approved by the Council, board or other appropriate body.

The revised Code has emphasised a number of key areas, which include:

1. All Councils must formally adopt the revised Code and four clauses.
2. The strategy report will affirm that the effective management and control of risk are prime objectives of the Council's treasury management activities.
3. The Council's appetite for risk must be clearly identified within the strategy report and will affirm that priority is given to security of capital and liquidity when investing funds and explain how that will be carried out.
4. Responsibility for risk management and control lies within the organisation and cannot be delegated to any outside organisation.
5. Credit ratings should only be used as a starting point when considering risk. Use should also be made of market data and information, the quality financial press, information on government support for banks and the credit ratings of that government support.
6. Councils need a sound diversification policy with high credit quality counterparties and should consider setting country, sector and group limits.
7. Borrowing in advance of need is only to be permissible when there is a clear business case for doing so and only for the current capital programme or to finance future debt maturities.
8. The main annual treasury management reports MUST be approved by full Council.
9. There needs to be, at a minimum, a mid year review of treasury management strategy and performance. This is intended to highlight any areas of concern that have arisen since the original strategy was approved.
10. Each council must delegate the role of scrutiny of treasury management strategy and policies to a specific named body.
11. Treasury management performance and policy setting should be subjected to prior scrutiny.
12. Members should be provided with access to relevant training.
13. Those charged with governance are also personally responsible for ensuring they have the necessary skills and training.
14. Responsibility for these activities must be clearly defined within the organisation.
15. Officers involved in treasury management must be explicitly required to follow treasury management policies and procedures when making investment and borrowing decisions on behalf of the Council (this will form part of the updated Treasury Management Practices).

This Council will adopt the following reporting arrangements in accordance with the requirements of the revised Code: -

Area of Responsibility	Council/ Committee/ Officer	Frequency
Treasury Management Policy Statement (revised)	Full Council	Initial adoption in 2010
Treasury Management Strategy / Annual Investment Strategy / MRP policy	Full Council	Annually before the start of the year
Treasury Management Strategy / Annual Investment Strategy / MRP policy – mid year report	Full Council	Mid year
Treasury Management Strategy / Annual Investment Strategy / MRP policy – updates or revisions at other times	Full Council	
Annual Treasury Outturn Report	Full Council	Annually by 30 September after the end of the year
Treasury Management Monitoring Reports	Policy & Resources Committee	
Treasury Management Practices	Policy & Resources Committee	
Scrutiny of treasury management strategy	Overview & Scrutiny Committee	Annually before the start of the year
Scrutiny of treasury management performance	Overview & Scrutiny Committee	

RESOLUTIONS

CIPFA recommends that all public service organisations adopt, as part of their standing orders, financial regulations, or other formal policy documents appropriate to their circumstances, the following four clauses.

1. This organisation will create and maintain, as the cornerstones for effective treasury management:
 - a treasury management policy statement (see annex C), stating the policies, objectives and approach to risk management of its treasury management activities
 - suitable treasury management practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of this organisation. Such amendments will not result in the organisation materially deviating from the Code's key principles.

2. This organisation i.e. full council, will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.
3. This organisation delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Policy and Resources Committee, and for the execution and administration of treasury management decisions to the Corporate Director (s151), who will act in accordance with the organisation's policy statement and TMPs and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.
4. This organisation nominates the Overview & Scrutiny Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

TREASURY MANAGEMENT POLICY STATEMENT

1. This organisation defines its treasury management activities as: “The management of the authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.
2. This organisation regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.
3. This organisation acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

TREASURY MANAGEMENT SCHEME OF DELEGATION

1. Full Council

- receiving and reviewing reports on treasury management policies, practices and activities
- approval of annual strategy.

2. Policy and Resources Committee

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices
- budget consideration and approval
- approval of the division of responsibilities
- receiving and reviewing regular monitoring reports and acting on recommendations
- approving the selection of external service providers and agreeing terms of appointment (where outside the scheme of delegation)

3. Overview and Scrutiny Committee

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
- submitting regular treasury management policy reports
- submitting budgets and budget variations
- receiving and reviewing management information reports
- reviewing the performance of the treasury management function
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- ensuring the adequacy of internal audit, and liaising with external audit
- recommending the appointment of external service providers, or appointment within the scheme of delegation

PRUDENTIAL AND TREASURY INDICATORS

Prudential Indicators

	2008/09	2009/10	2010/11	2011/12	2012/13
Extract from budget setting report	Actual	Probable Outturn	Estimate	Estimate	Estimate
Capital Expenditure	£1.694m	£2.246m	£5.624m	£3.163m	£0.715m
Ratio of financing costs to net revenue stream	-11.27%	-2.92%	-2.42%	-1.79%	-3.48%
Net borrowing requirement	-£14.3m	-£12.0m	-£7.054m	-£4.464m	-£4.491m
Capital Financing Requirement as at 31 March	£0	£0	£0	£2.396m	£2.339m
Annual change in Capital Financing Requirement	£0	£0	£0	£2.396m	-£0.570m
Incremental impact of capital investment decisions Increase in council tax (band D) per annum	N/a	N/a	£4.39	£15.46	£8.44

Treasury Management Indicators

	2008/09	2009/10	2010/11	2011/12	2012/13
	Actual	Probable Outturn	Estimate	Estimate	Estimate
Authorised Limit for external debt -					
borrowing	N/a	£20m	£20m	£20m	£20m
other long term liabilities	N/a	£0m	£0m	£0m	£0m
Total	N/a	£20m	£20m	£20m	£20m
Operational Boundary for external debt -					
borrowing	N/a	£5m	£5m	£5m	£5m
other long term liabilities	N/a	£0m	£0m	£0m	£0m
Total	N/a	£5m	£5m	£5m	£5m
Actual external debt	£0	N/a	N/a	N/a	N/a
Upper limit for fixed interest rate exposure					
Net principal re fixed rate borrowing / investments	N/a	N/a	100%	100%	100%
Upper limit for variable rate exposure					
Net principal re variable rate borrowing / investments	N/a	N/a	20%	20%	20%
Upper limit for total principal sums invested for over 364 days (per maturity date)	N/a	N/a	£2.5m	£2.5m	£2.5m

SPECIFIED AND NON-SPECIFIED INVESTMENTS

SPECIFIED INVESTMENTS:

All such investments will be sterling denominated, with **maturities up to maximum of 1 year**, meeting the minimum 'high' rating criteria where applicable.

Investment	Minimum 'High' Credit Criteria	Use
Debt Management Agency Deposit Facility	Sovereign rating	In-house
Term deposits – local authorities	--	In-house
Term deposits – banks and building societies	Per Sector Weekly Credit List	In-house & Fund Manager
Money Market Funds	AAA	In-house & Fund Manager
Banks nationalised by high credit rated (sovereign rating) countries	Per Sector Weekly Credit List	In-house & Fund Manager
Government guarantee on ALL deposits by high credit rated (sovereign rating) countries*	Per Sector Weekly Credit List	In-house & Fund Manager
UK Government support to the banking sector**	Sovereign rating	In-house & Fund Manager

**Banks eligible for support under the UK bail-out package: -

Abbey

Barclays

HBOS

Lloyds TSB

HSBC

Nationwide Building Society

RBS

Standard Chartered

NON-SPECIFIED INVESTMENTS

A maximum of £2.5m will be held in aggregate in non-specified investment

1. Maturities of ANY period

Investment	Minimum Credit Criteria	Use	Maximum Investment	Maximum maturity period
Fixed term deposits with variable rate and variable maturities:				
Structured deposits	Per Sector Weekly Credit List	In-house	£2.5m	2 Years
Commercial paper issuance by UK banks covered by UK Government guarantee	UK Government explicit guarantee	In-house and Fund Manager	£2.5m	2 Years
Other debt issuance by UK banks covered by UK Government guarantee	UK Government explicit guarantee	In-house and Fund Manager	£2.5m	2 Years

2. Maturities in excess of 1 year

Investment	Minimum Credit Criteria	Use	Maximum Investment	Maximum maturity period
Term deposits – local authorities	--	In-house	£2.5m	2 Years
Term deposits – banks and building societies	Per Sector Weekly Credit List	In-house	£2.5m	2 Years
Certificates of deposits issued by banks and building societies	Per Sector Weekly Credit List	In house and Fund Manager	£2.5m	2 Years
UK Government Gilts	AAA	In-house and Fund Manager	£2.5m	2 Years
Bonds issued by multilateral development banks	AAA	In-house and Fund Manager	£2.5m	2 Years
Bonds issued by a financial institution which is guaranteed by the UK government	AAA	In-house and Fund Manager	£2.5m	2 Years

APPROVED COUNTRIES FOR INVESTMENT

AAA Rating

Canada
Denmark
Finland
France
Germany
Luxembourg
Netherlands
Norway
Singapore
Spain
Sweden
Switzerland
U.K.
U.S.A.

AA+ Rating

Australia
Belgium

AA Rating

Hong Kong
Japan
Kuwait
Portugal *
UAE

AA- Rating

Italy
Qatar (AA- S&P rating)
Republic of Ireland *
Saudi Arabia

* Sector has suggested that clients exercise care and caution when considering placing deposits with Irish and Portuguese banks as their economies and banking systems are currently under severe pressure.

INTEREST RATE FORECASTS

The data below shows a variety of forecasts published by a number of institutions. The first three are individual forecasts including those of UBS and Capital Economics (an independent forecasting consultancy). The final one represents summarised figures drawn from the population of all major City banks and academic institutions.

The forecast within this strategy statement has been drawn from these diverse sources and officers' own views.

1. INDIVIDUAL FORECASTS

Sector interest rate forecast – 23.11.09

	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13
Bank rate	0.50%	0.50%	0.75%	1.00%	1.50%	2.25%	2.75%	3.25%	3.50%	3.75%	4.25%	4.25%	4.50%
5yr PWLB rate	3.05%	3.20%	3.30%	3.40%	3.60%	3.85%	4.15%	4.55%	4.60%	4.80%	4.80%	4.85%	4.85%
10yr PWLB rate	4.00%	4.05%	4.15%	4.30%	4.45%	4.60%	4.80%	4.90%	5.00%	5.10%	5.10%	5.15%	5.15%
25yr PWLB rate	4.55%	4.65%	4.70%	4.80%	4.90%	5.00%	5.05%	5.10%	5.20%	5.30%	5.30%	5.35%	5.35%
50yr PWLB rate	4.80%	4.70%	4.75%	4.90%	5.00%	5.10%	5.15%	5.20%	5.30%	5.40%	5.40%	5.45%	5.45%

Capital Economics interest rate forecast – 18.1.10

	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11
Bank Rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
5yr PWLB rate	3.15%	2.95%	2.65%	2.45%	2.45%	2.45%	2.45%	2.45%
10yr PWLB rate	4.45%	4.15%	3.65%	3.15%	3.15%	3.15%	3.15%	3.15%
25yr PWLB rate	4.75%	4.65%	4.35%	4.05%	3.95%	3.75%	3.75%	3.75%
50yr PWLB rate	4.65%	4.65%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%

UBS interest rate forecast (for quarter ends) – 30.10.09

	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11
Bank Rate	0.50%	0.50%	0.75%	1.00%	1.50%	2.00%	2.50%	3.00%
10yr PWLB rate	3.90%	4.05%	4.40%	4.75%	4.90%	5.15%	5.40%	5.40%
25yr PWLB rate	4.45%	4.65%	5.00%	5.15%	5.40%	5.65%	5.90%	5.90%
50yr PWLB rate	4.55%	4.75%	5.10%	5.25%	5.50%	5.75%	6.00%	6.00%

2. SURVEY OF ECONOMIC FORECASTS

HM Treasury December 2009 – summary of forecasts of 23 City and 12 academic analysts for Q4 2009 and 2010. Forecasts for 2010 – 2013 are based on 21 forecasts in the last quarterly forecast – November 2009.

BANK RATE FORECASTS	quarter ended			annual average Bank Rate			
	actual	Q4 2009	Q4 2010	ave. 2010	ave. 2011	ave. 2012	ave. 2013
Median	0.50%	0.50%	1.30%	0.70%	1.80%	3.00%	3.70%
Highest	0.50%	0.50%	2.30%	1.30%	3.30%	4.30%	4.60%
Lowest	0.50%	0.50%	0.50%	0.50%	0.50%	1.00%	1.40%

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REPORT TO:	OVERVIEW AND SCRUTINY COMMITTEE
DATE:	18 FEBRUARY 2010
REPORT OF THE:	HEAD OF TRANSFORMATION CLARE SLATER
TITLE OF REPORT:	HALF YEAR RISK MANAGEMENT ACTIONS MONITORING REPORT
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

1.1 To present the latest actions being taken to monitor corporate risks.

2.0 RECOMMENDATION

2.1 It is recommended that Members endorse the actions taken by officers in monitoring and mitigating the risks within the Corporate Risk Register.

3.0 REASON FOR RECOMMENDATION

3.1 Risk identification and management is an integral element of organisational management to secure the achievement of the Council's corporate objectives. Risk Management should also form a key part of any budget making decisions.

4.0 SIGNIFICANT RISKS

4.1 The risks within the corporate risk register are all being managed effectively within no significant levels of risk currently identified.

REPORT

5.0 BACKGROUND AND INTRODUCTION

5.1 The Corporate Risk Register should identify those risks which will prevent the Council from achieving the Council Plan, and therefore ultimately the Sustainable Community Strategy – Imagine Ryedale...

5.2 Monitoring of actions is an important part of the risk management cycle and enables the Corporate Risk Register to be a living document. Detailed actions and monitoring also assist in the revision to the register, which will be required during the year.

6.0 POLICY CONTEXT

- 6.1 New performance framework including CAA
Annual Governance
Monitoring the delivery of the Council Plan

7.0 CONSULTATION

- 7.1 The Corporate Risk Register is developed and managed by the Council's Senior Management Team. All service areas are therefore involved in its development through the service delivery planning cycle.

8.0 REPORT DETAILS

- 8.1 Annex A outlines the actions being taken to mitigate those corporate risks which are not within the acceptable tolerance as outlined within the Risk Management Strategy.

9.0 IMPLICATIONS

- 9.1 The implications of not managing our corporate risks are detailed in the consequences section of the detailed risk report attached.

Head of Transformation Clare Slater

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Background Papers:
























Council Plan and Service Delivery Plans are available on Covalent, along with related service risk registers.

Background Papers are available for inspection at:


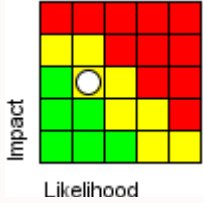
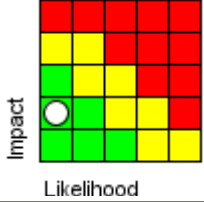


Council Plan and Service Delivery Plans are available on Covalent.

Corporate Risk Register 2009-13

Generated on: 05 February 2010

Corporate Risk Register 2009-13						
Risk Summary			Key			
Status	Code	Title	Risk Status		Action Status	
	CRR 01	Significant Partnerships		OK		Cancelled
	CRR 02	Capital Programme		Warning		Overdue
	CRR 03	Staff Management		Alert		Check Progress
	CRR 05	Affordable Housing		Unknown		In Progress
	CRR 06	Procurement				Completed
Page 119		CRR 07	Health and Safety			
		CRR 08	Business Continuity Planning			
		CRR 09	Governance Arrangements			
		CRR 10	Major Incident			
		CRR 11	Council Assets			
		CRR 12	Customer Expectations			
		CRR 13	Fraud and Corruption			
		CRR 14	Data Quality			
		CRR 15	Delivering Efficiencies			

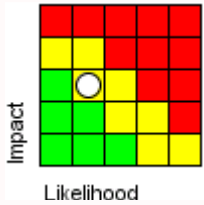
CRR 01 Significant Partnerships

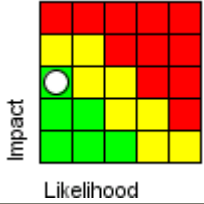
Risk Code	Risk Title	Description	Status				
CRR 01	Significant Partnerships	That the Council fails to manage its partnerships effectively					
Consequences		Financial cost to the Council through partnership failure, breach of legislation by partnership with consequences for Council and its reputation, levels of service satisfaction and quality fall below acceptable levels.					
Current Risk Matrix		Current Rating Description		Last Review Date			
		Current Impact C Medium	Current Likelihood 2 Not Likely	25 Sep 2010			
Target Risk Matrix		Target Rating Description		SMT Lead			
		Target Impact B Minor	Target Likelihood 1 Very Low	Clare Slater			
Risk Actions							
Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note
	SDP TT 0913 43	Partnership Protocol	Develop and Implement the corporate partnership protocol		31 Mar 2010	Clare Slater	Audit of partnerships completed, register held in SMT shared folder, all partnerhships scored for significance, new arrangements for those identified as 'significant partnerships' in line with partnership protocol, presented to O and S February 2010.

CRR 02 Capital Programme



Risk Code	Risk Title	Description	Status
CRR 02	Capital Programme	Failure to deliver capital programme for Council priorities, on budget and on time.	

Consequences Failure to deliver the Council priorities


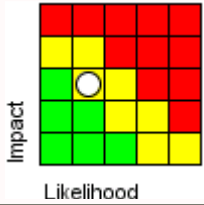
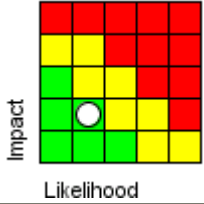


Current Risk Matrix	Current Rating Description			Last Review Date
	Current Impact	Medium	Current Likelihood	27 Sep 2010

Target Risk Matrix	Target Rating Description			SMT Lead
	Target Impact	Medium	Target Likelihood	Trevor Anderson


Risk Actions

Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note
	RiskA FE 04.02	Monitor schemes in the capital programme against staff resources.	Use standard forms of contract for projects. Ensure procurement rules followed	<div style="width: 25%; background-color: #4f81bd; color: white; text-align: center;">25%</div>	31 Mar 2010	Phil Long; Phil Long	Standard preambles undertaken, further work with procurement partnership.
	SDP FE 0913 04	Deliver capital schemes contained in Capital Programme	Deliver capital schemes in the Capital Programme	<div style="width: 44%; background-color: #4f81bd; color: white; text-align: center;">44%</div>	31 Mar 2013	Phil Long	Majority of projects underway as per 29.7.09. Boilers to be schedules in at pools, Public con refurb planned for Malton MK Place- details re bio mass being considered re inc solar

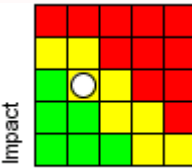
CRR 03 Staff Management

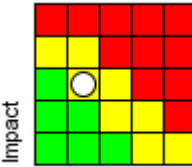
Risk Code	Risk Title	Description	Status				
CRR 03	Staff Management	Failure to effectively manage and develop our workforce assets					
Consequences		Decline in employee performance and delivery					
Current Risk Matrix		Current Rating Description		Last Review Date			
		Current Impact C Medium	Current Likelihood 2 Not Likely	29 Sep 2009			
Target Risk Matrix		Target Rating Description		SMT Lead			
		Target Impact B Minor	Target Likelihood 2 Not Likely	Louise Sandall			
Risk Actions							
Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note
	RiskA OD 01.01	Multi skilled workforce		<div style="border: 1px solid black; width: 100px; height: 15px; background-color: #add8e6; display: flex; align-items: center; justify-content: center;">50%</div>	31 Mar 2010	Louise Sandall	Skills and Qualification assessment to be analysed. Corporate Training Plan to be completed and issued.
	RiskA OD 02.01	Develop a workforce plan		<div style="border: 1px solid black; width: 100px; height: 15px; background-color: #add8e6; display: flex; align-items: center; justify-content: center;">80%</div>	31 Mar 2010	Louise Sandall	A Skills and Qualification assessment has been completed, analysis of the data is underway. A draft Workforce plan has been completed.

CRR 05 Affordable Housing



Risk Code	Risk Title	Description	Status
CRR 05	Affordable Housing	Housing need in Ryedale, which can be met through the provision of affordable housing, is not met.	

Consequences Homelessness increases with resultant service costs. Unbalanced housing market. Negative impact on the local economy. Lack of key workers to support the needs of the community

Current Risk Matrix	Current Rating Description			Last Review Date	
 <p style="font-size: small;">Impact</p> <p style="font-size: small;">Likelihood</p>	Current Impact	C	Current Likelihood	2	3 February 2010
	Medium		Not Likely		

Target Risk Matrix	Target Rating Description			SMT Lead	
 <p style="font-size: small;">Impact</p> <p style="font-size: small;">Likelihood</p>	Target Impact	C	Target Likelihood	2	Gary Housden; Julian Rudd
	Medium		Not Likely		

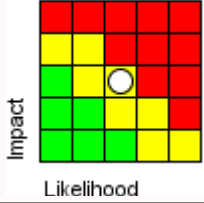
Risk Actions

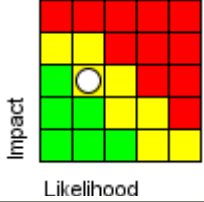
Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note
	SDP FE 0913 05	Review of LA Landholdings	Undertake a review of all LA landholdings within the District to assess their potential for development for affordable housing	<div style="width: 100%; height: 15px; background-color: #4a7ebb; border: 1px solid black;"></div> 100%	31 Mar 2010	Gary Housden	Review undertaken - Partner RSL identified an area land that they would wish to purchase to facilitate an affordable housing development in Malton. (Info from Richard Etherington).
	SDP P 0913 04	Strategic Housing Land Availability Assessment	To have a Strategic Housing Land Availability Assessment in place (SHLAA)	<div style="width: 100%; height: 15px; background-color: #4a7ebb; border: 1px solid black;"></div> 100%	31 Mar 2010	Gary Housden	

CRR 06 Procurement





Risk Code	Risk Title	Description	Status
CRR 06	Procurement		

Consequences Failure to make efficiency savings. Priority projects not delivered to budget. Government penalties. Breach of legislation eg. equalities or health and safety. Damage to RDC reputation.


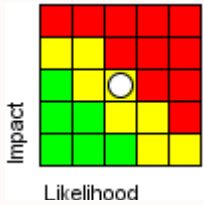
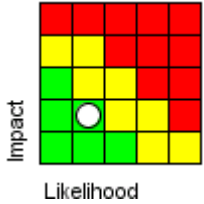

Current Risk Matrix	Current Rating Description			Last Review Date
	C	Current Likelihood	3	3 February 2010
	Medium		Likely	

Target Risk Matrix	Target Rating Description			SMT Lead
	C	Target Likelihood	2	Phil Long
	Medium		Not Likely	

Risk Actions

Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note
	Corp Risk 06-A3	Officer Training - Procurement	To provide staff at all levels on procurement best practice and our processes		30 Oct 2008	Phil Long	Training provided by the North Yorkshire procurement partnership
	Corp Risk 06-A4	Detailed guidance on procurement to be established			30 Oct 2008	Phil Long	Joined procurement partnership with Selby and Scarborough, including dedicated support, to be arranged. Support to include revision of the Corporate Procurement Strategy for the Council.

CRR 07 Health and Safety

Risk Code	Risk Title	Description	Status							
CRR 07	Health and Safety	Failure to ensure appropriate systems are in place to manage Health and safety								
Consequences		Failure to meet legislative requirements, prosecution and financial penalties incurred as a result of incident.								
Current Risk Matrix		Current Rating Description		Last Review Date						
		<table border="1"> <tr> <td>C</td> <td rowspan="2">Current Likelihood</td> </tr> <tr> <td>Medium</td> </tr> </table>	C	Current Likelihood	Medium	<table border="1"> <tr> <td>3</td> <td rowspan="2">Likely</td> </tr> <tr> <td></td> </tr> </table>	3	Likely		3 February 2010
C	Current Likelihood									
Medium										
3	Likely									
Target Risk Matrix		Target Rating Description		SMT Lead						
		<table border="1"> <tr> <td>B</td> <td rowspan="2">Target Likelihood</td> </tr> <tr> <td>Minor</td> </tr> </table>	B	Target Likelihood	Minor	<table border="1"> <tr> <td>2</td> <td rowspan="2">Not Likely</td> </tr> <tr> <td></td> </tr> </table>	2	Not Likely		Phil Long
B	Target Likelihood									
Minor										
2	Not Likely									
Risk Actions										
Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note			
	Corp Risk 07-01	Health and safety officer	Health and Safety Officer in post	<div style="width: 100%; text-align: center;">100%</div>	13 Oct 2008	Phil Long	Health and Safety Officer in post			

CRR 08 Business Continuity Planning




Risk Code	Risk Title	Description	Status
CRR 08	Business Continuity Planning	Failure to produce effective, comprehensive and tested plan.	

Consequences Failure in continuity of service delivery. Negative impact on the most vulnerable on our communities. Damage to RDC reputation. Financial penalties and litigation


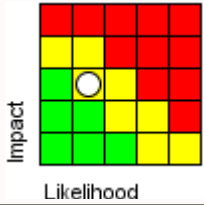
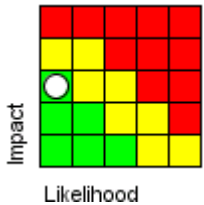





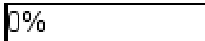


Current Risk Matrix	Current Rating Description			Last Review Date
	Current Impact	C	Current Likelihood	3
		Medium		Likely

Target Risk Matrix	Target Rating Description			SMT Lead
	Target Impact	B	Target Likelihood	2
		Minor		Not Likely


Risk Actions

Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note
	Corp Risk 08-A1	Production of Business Continuity Plan	Bring together the Business Impact Assessment work into a plan	<div style="width: 80%; background-color: #4f81bd; border: 1px solid black;">80%</div>	30 Sep 2008	Phil Long; Paul Cresswell	Entering negotiation with NYCC to aid completion and testing of plan
	Corp Risk 08-A2	Plan testing	Testing of the Business Continuity Plan	<div style="width: 0%; background-color: #4f81bd; border: 1px solid black;">0%</div>	30 Sep 2008	Phil Long; Paul Cresswell	Entering negotiations with NYCC to aid completion and testing of the plan.
	Corp Risk 08-A3	Service Business Continuity Planning	To publish service level business continuity plans as integral to service delivery planning	<div style="width: 10%; background-color: #4f81bd; border: 1px solid black;">10%</div>	30 Sep 2008	Phil Long	Priority area of development within service delivery planning for 2009/10

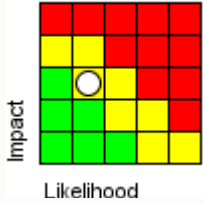
CRR 09 Governance Arrangements

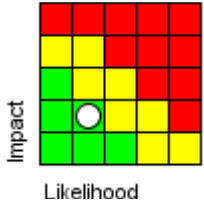
Risk Code	Risk Title	Description	Status							
CRR 09	Governance Arrangements									
Consequences										
Current Risk Matrix		Current Rating Description		Last Review Date						
		<table border="1"> <tr> <td>C</td> <td rowspan="2">Current Likelihood</td> </tr> <tr> <td>Medium</td> </tr> </table>	C	Current Likelihood	Medium	<table border="1"> <tr> <td>2</td> <td rowspan="2">Not Likely</td> </tr> <tr> <td></td> </tr> </table>	2	Not Likely		3 February 2010
C	Current Likelihood									
Medium										
2	Not Likely									
Target Risk Matrix		Target Rating Description		SMT Lead						
		<table border="1"> <tr> <td>C</td> <td rowspan="2">Target Likelihood</td> </tr> <tr> <td>Medium</td> </tr> </table>	C	Target Likelihood	Medium	<table border="1"> <tr> <td>1</td> <td rowspan="2">Very Low</td> </tr> <tr> <td></td> </tr> </table>	1	Very Low		Anthony Winship
C	Target Likelihood									
Medium										
1	Very Low									
Risk Actions										
Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note			
	Corp Risk 09-A1	Risk Management Member Training			30 Jul 2008	Paul Cresswell				
	Corp Risk 09-A2	AGS Improvement Plan			30 Mar 2009	Anthony Winship	Officer Code of conduct report considered by O&S Committee meeting on 2nd July 2009 and recommended action plan of Council Solicitor approved. Report with Officer Code of Conduct to be put to P&R on 1st October 2009.			
	SDP LS 0913 05	Reviewing Local Code of Corporate Governance			31 Mar 2010	Anthony Winship	Programmed for review in the last quarter of the year.			
	SDP LS 0913 06	Analyse compliance with Local Code of Corporate Governance			31 Mar 2010	Anthony Winship	Programmed for review in the last quarter of the year.			

CRR 10 Major Incident



Risk Code	Risk Title	Description	Status
CRR 10	Major Incident	Ensure the Council is prepared to deal with a major flooding incident to meet its obligation for Emergency Planning.	

Consequences Impact on local communities and service continuity.


Current Risk Matrix	Current Rating Description			Last Review Date
	Current Impact	C Medium	Current Likelihood 2 Not Likely	3 February 2010

Target Risk Matrix	Target Rating Description			SMT Lead
	Target Impact	B Minor	Target Likelihood 2 Not Likely	Phil Long

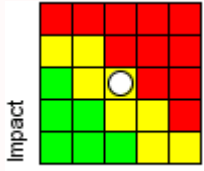
Risk Actions

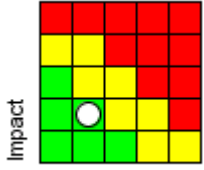
Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note
	SDP SS 0913 19	Prioritize flood risk areas and implement local catchment's of sandbags for immediate self help	Prioritize flood risk areas and implement local catchment's of sandbags for immediate self help		31 Mar 2011	Phil Long	Areas prioritised and sandbags caught in priority locations subject to flash flood risk.

CRR 11 Council Assets





Risk Code	Risk Title	Description	Status
CRR 11	Council Assets	Ensure the Council has proper plan to ensure maintenance and fitness for purpose of the Council assets	

Consequences


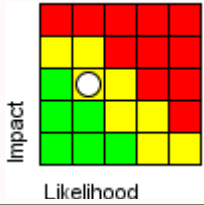
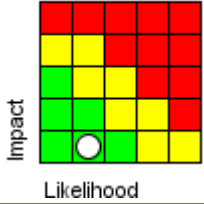





Current Risk Matrix	Current Rating Description			Last Review Date				
 <p>Impact</p> <p>Likelihood</p>	Current Impact	<table border="1"> <tr><td>C</td></tr> <tr><td>Medium</td></tr> </table>	C	Medium	<table border="1"> <tr><td>3</td></tr> <tr><td>Likely</td></tr> </table>	3	Likely	3 February 2010
C								
Medium								
3								
Likely								









Target Risk Matrix	Target Rating Description			SMT Lead				
 <p>Impact</p> <p>Likelihood</p>	Target Impact	<table border="1"> <tr><td>B</td></tr> <tr><td>Minor</td></tr> </table>	B	Minor	<table border="1"> <tr><td>2</td></tr> <tr><td>Not Likely</td></tr> </table>	2	Not Likely	Phil Long
B								
Minor								
2								
Not Likely								

Risk Actions

Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note
	SDP FE 0913 01	Establish term maintenance contracts with suppliers/contractors for the planned maintenance items	Establish term maintenance contracts with suppliers/contractors for the planned maintenance items		31 Mar 2010	Phil Long	
	SDP FE 0913 03	Carry out maintenance and condition surveys for all of the Council's buildings	Carry out maintenance and condition surveys for all of the Council's buildings		31 Mar 2013	Phil Long	Complete with exception of RDH and depot

CRR 12 Customer Expectations

Risk Code	Risk Title	Description	Status					
CRR 12	Customer Expectations	Failure to meet customer service standards meet customer expectations.						
Consequences		Include CR02						
Current Risk Matrix		Current Rating Description		Last Review Date				
		<table border="1"> <tr> <td>C</td> <td rowspan="2">Current Likelihood</td> <td>2</td> </tr> <tr> <td>Medium</td> <td>Not Likely</td> </tr> </table>	C	Current Likelihood	2	Medium	Not Likely	3 February 2010
C	Current Likelihood	2						
Medium		Not Likely						
Target Risk Matrix		Target Rating Description		SMT Lead				
		<table border="1"> <tr> <td>A</td> <td rowspan="2">Target Likelihood</td> <td>2</td> </tr> <tr> <td>Low</td> <td>Not Likely</td> </tr> </table>	A	Target Likelihood	2	Low	Not Likely	Paul Cresswell
A	Target Likelihood	2						
Low		Not Likely						
Risk Actions								
Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note	
	SDP CB 0913 03	Expand Contact Centre through remainder of RDC departments	Expand Contact Centre through remainder of RDC departments	<input type="text" value="0%"/>	31 Mar 2013	Paul Cresswell	Awaiting improvements to reception area of Ryedale House	
	SDP CB 0913 05	Implement & publicise customer service standards	Implement & publicise customer service standards	<input type="text" value="0%"/>	31 Mar 2010	Paul Cresswell	Yet to be undertaken	
	SDP CB 0913 06	Undertake impact assessment on accessibility of services to customers	Expand Contact Centre through remainder of RDC departments	<input type="text" value="0%"/>	31 Mar 2011	Paul Cresswell	Yet to be undertaken	
	SDP CB 0913 15	Review NI14 data & sampling for 08/09 & provide feed back	Review NI14 data & sampling for 08/09 & provide feed back	<input type="text" value="60%"/>	31 Mar 2010	Paul Cresswell	Analysis undertaken with support of Project Manager (Transformation), next sample to taken through Cmetrix system.	
	SDP CB 0913 18	Implement Customer Satisfaction surveys	Implement Customer Satisfaction surveys	<input type="text" value="100%"/>	31 Mar 2010	Paul Cresswell	Currently undertaken manually	

Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note
	SDP CB 0913 19	Undertake mystery shopping	Undertake mystery shopping		31 Mar 2010	Paul Cresswell	To work with North Yorkshire Customer Services Managers under the connect partnership
	SDP CB 0913 20	Identify & Implement new satisfaction system	Identify & Implement new satisfaction system		31 Mar 2010	Paul Cresswell	
	SDP CB 0913 21	Review Complaints procedures & where appropriate implement improvements	Review Complaints procedures & where appropriate implement improvements		31 Mar 2010	Paul Cresswell	New complaints process implemented, now called feedback and all information and cases managed through Covalent. Process of transferring all departmental information onto the system underway.
	SDP CB 0913 23	Publicise changes to complaints procedure	Publicise changes to complaints procedure		31 Mar 2010	Paul Cresswell	feedback procedures being promoted through all channels available to the Council at no cost

CRR 13 Fraud and Corruption

Risk Code	Risk Title	Description	Status
CRR 13	Fraud and Corruption	Failure to ensure Council has proper procedures and policies for the prevention and detection of fraud.	

Consequences Financial loss to the Council, damage to our reputation and credibility


Current Risk Matrix	Current Rating Description			Last Review Date
	Current Impact	B	Current Likelihood	2
		Minor		

Target Risk Matrix	Target Rating Description			SMT Lead
	Target Impact	A	Target Likelihood	1
		Low		

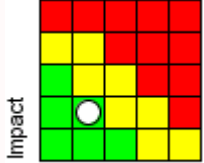
Risk Actions

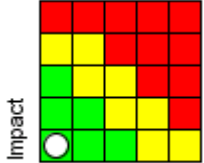
Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note
	SDP CB 0913 09	Review & develop effective fraud partnership with Scarborough	Review & develop effective fraud partnership with Scarborough		31 Mar 2010	Paul Cresswell; Paul Cresswell	12 month Contract commenced 5th October 2009 with Veritau

CRR 14 Data Quality




Risk Code	Risk Title	Description	Status
CRR 14	Data Quality	The Council recognises the importance of data quality as we need reliable, accurate and timely performance information with which to manage services, inform users and account for our performance	

Consequences

Current Risk Matrix	Current Rating Description			Last Review Date	
 <p style="font-size: small;">Impact</p> <p style="font-size: small;">Likelihood</p>	B	Minor	2	Not Likely	3 February 2010

Target Risk Matrix	Target Rating Description			SMT Lead	
 <p style="font-size: small;">Impact</p> <p style="font-size: small;">Likelihood</p>	A	Low	1	Very Low	Clare Slater

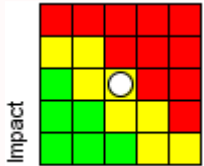
Risk Actions

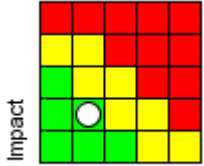
Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note
	SDP CB 0913 15	Review NI14 data & sampling for 08/09 & provide feed back	Review NI14 data & sampling for 08/09 & provide feed back	<div style="width: 60%; background-color: #4a7ebb; color: white; padding: 2px;">60%</div>	31 Mar 2010	Paul Cresswell	Analysis undertaken with support of Project Manager (Transformation), next sample to taken through Cmetrix system.
	SDP CB 0913 16	Identify & implement improved data collection system and reporting	Identify & implement improved data collection system and reporting	<div style="width: 100%; background-color: #4a7ebb; color: white; padding: 2px;">100%</div>	31 Mar 2010	Paul Cresswell	Cmetrix system to be used for data collection
	SDP TT 0913 04	NI Data Quality Assurance	To manage the data quality of National Indicator returns	<div style="width: 100%; background-color: #4a7ebb; color: white; padding: 2px;">100%</div>	30 Apr 2009	Clare Slater	Key actions required of HofS in relation to delivering data quality strategy for 2009/10

CRR 15 Delivering Efficiencies




Risk Code	Risk Title	Description	Status
CRR 15	Delivering Efficiencies	Council fails to meet efficiency targets which necessitates cuts to other services	

Consequences Cuts to frontline services, reputational damage to the Council, possible poor outcome of external inspection.

Current Risk Matrix	Current Rating Description			Last Review Date
 <p style="font-size: small;">Impact</p> <p style="font-size: small;">Likelihood</p>	C	Medium	Likely	3 February 2010

Target Risk Matrix	Target Rating Description			SMT Lead
 <p style="font-size: small;">Impact</p> <p style="font-size: small;">Likelihood</p>	B	Minor	Not Likely	Paul Cresswell

Risk Actions

	SDP D 0913 01	To deliver annual efficiency savings included in 2009/10 budget.	To deliver annual efficiency savings included in 2009/10 budget.	<div style="border: 1px solid black; background-color: #4f81bd; width: 100px; height: 15px; display: flex; align-items: center; justify-content: center;">100%</div>	31 Mar 2010	Paul Cresswell	On target to achieve savings included in 2009-10 budget.
	SDP D 0913	Deliver the Corporate efficiency programme	Deliver the Corporate efficiency programme	<div style="border: 1px solid black; background-color: #4f81bd; width: 100px; height: 15px; display: flex; align-items: center; justify-content: center;">80%</div>	31 Mar 2013	Paul Cresswell	Considered by members of Resources Working Party.
Status	Code	Title	Description	Progress Bar	Due Date	Lead	Latest Note
	SDP TT 0913 34	Value for Money	Develop VFM processes and benchmarking across all services	<div style="border: 1px solid black; background-color: #4f81bd; width: 100px; height: 15px; display: flex; align-items: center; justify-content: center;">35%</div>	31 Mar 2010	Clare Slater	Implementation of the VFM strategy now underway being led by the Transformation Team. VFM reviews being undertaken Heads of Services. Order of priority linked to One 11 programme



REPORT TO: OVERVIEW AND SCRUTINY COMMITTEE

DATE: 18 FEBRUARY 2010

REPORT OF THE: CUSTOMER SERVICES AND BENEFITS MANAGER
ANGELA WOOD

TITLE OF REPORT: CUSTOMER COMPLAINTS QUARTER 3

WARDS AFFECTED: ALL

1.0 PURPOSE OF REPORT

1.1 To inform Members of the number and type of complaints received under the Council's complaint procedure for the period October – December 2010.

2.0 RECOMMENDATION

2.1 It is recommended that members accept the report as attached.

3.0 BACKGROUND AND INTRODUCTION

3.1 This report includes complaints monitored under individual service complaints systems (Annex 1).

3.2 The report also includes a summary of customer feedback to Community Leisure Ltd (CLL) for the period October – December 2009 together with the action taken where appropriate (Annex 2).

4.0 REPORT DETAILS

4.1 The annexes of the report show the number of complaints received and the actions which have been taken.

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Customer Service and Benefits Manager

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Background Papers:

RDC Complaints Procedure

Background Papers are available for inspection at:

http://www.ryedale.gov.uk/council_and_democracy/corporate_complaints.aspx

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SUMMARY OF COMPLAINTS LOG

PERIOD: OCTOBER – DECEMBER 2009

SERVICE UNIT	SUMMARY OF COMPLAINT	NO SETTLED WITHIN DEADLINE	RESULTANT SERVICE IMPROVEMENTS / ACTION TAKEN
Customer Services & Benefits		-	
Democratic Services		-	
Development Services	1. Dissatisfaction with new rates values and development decisions.	1	1. Manager failed to respond.
Economic & Community		-	
Facilities & Emergency Planning	2. Dissatisfaction with decision regarding use of spare land.	1	3. Customer advised in writing of decision regarding use of land.
Finance & Revenue Services		-	
Forward Planning		-	

Health & Environment	<ol style="list-style-type: none"> 1. Dissatisfaction regarding treatment of rats. 2. Dissatisfaction with differing information provided by Ryedale District Council and Yorkshire Housing Association. 3. Dissatisfaction with lack of action against pollution. 	3	<ol style="list-style-type: none"> 1. Manager discussed treatment undertaken with officer concerned and contacted customer. 2. Manager investigated and found communication breakdown. Customer advised in writing and Yorkshire Housing Association advised. 3. Customer of advised of all actions to date and intended actions.
Housing Services		-	
Human Resources		-	
ICT Services		-	
Legal		-	

Streetscene Services	<ol style="list-style-type: none"> 1. Dissatisfaction with servicing of car parks. 2. Dissatisfaction with car park signage. 3. Dissatisfaction with missed recycling collection. 	3	<ol style="list-style-type: none"> 1. Manager investigated and reminded staff to be aware of positioning vehicles whilst servicing car parks and letter of apology sent to customer. 2. Manager investigated and advised customer in writing of findings. 3. Manager investigated and arrangements made for recycling to be collected. Letter of explanation and apologies sent to customer.
Transformation		-	
TOTAL		8	

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Agenda Item 17

DERWENT POOL – CUSTOMER FEEDBACK

OCTOBER TO DECEMBER 2009	very good	good	fair	poor	very poor
Efficiency of the staff	1	0	0	0	0
Helpfulness of the staff	1	0	0	0	0
Courtesy of the staff	1	0	0	0	0
General cleanliness	0	0	1	0	0
Condition of the facilities	0	1	0	0	0
Safety and security	0	0	0	0	0
Pool water temperature	1	0	0	0	0
Air temperature	1	0	0	0	0
Value for money	0	0	1	0	0
Overall experience	0	0	0	1	0
	5	1	2	1	0

November	Please don't allow noisy, splashy children who want to play and not swim, to the lane session on a Wednesday evening	The age limit for this session is 14yrs +
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LIFESTYLES – CUSTOMER COMMENTS FEEDBACK

OCTOBER TO DECEMBER 2009	very good	good	fair	poor	very poor
Efficiency of the staff	1	0	0	0	0
Helpfulness of the staff	1	0	0	0	0
Courtesy of the staff	1	0	0	0	0
General cleanliness	1	0	0	0	0
Condition of the facilities	1	0	0	0	0
Safety and security	1	0	0	0	0
Value for money	0	1	0	0	0
Overall experience	1	0	0	0	0
	7	1	0	0	0

RYEDALE POOL – CUSTOMER COMMENTS FEEDBACK

OCTOBER TO DECEMBER 2009	very good	good	fair	poor	very poor
Efficiency of the staff	6	2	0	0	0
Helpfulness of the staff	7	1	0	0	0
Courtesy of the staff	7	1	0	0	0
General cleanliness	6	3	0	0	0
Condition of the facilities	5	2	1	0	0
Safety and security	5	2	0	0	0
Pool water temperature	2	4	0	2	0
Air temperature	4	3	1	0	0
Value for money	7	0	1	0	0
Overall experience	6	2	0	0	0
	55	20	3	2	0

October	Please state on your leaflet that holidays are from Monday to Sunday for half term and not Saturday! Will save a wasted journey and confused kids	Sorry for any inconvenience caused, our holiday programme always starts on the Monday of each holiday due to our swimming lesson programme
November	More heat in water!	
	The hairdryer by the door in the changing rooms is once again not working. Can I suggest you move it higher up so children cannot play with it.	This has been reported to RDC and is awaiting repair. The comments will be passed on.
	Use hand dryers high up for hairdryers.	
	A very pleasant experience, nice clean pool and lovely staff.	
	I came to watch granddaughter's swimming lesson - I was very impressed. I think, although pool is smaller, the standard of coaching compared with Water World is better.	
	Make the pool warmer on parent & toddler sessions - my child was shivering and had blue lips on a special toddler session	Unfortunately it is not possible to alter the water temperature for just one session. It takes hours to increase / decrease the temperature of the pool water
December	Excellent facilities, staff very friendly and helpful, amazingly clean pool & facilities. Thank you!	
	The slide could be open when there are 3 members of staff available, especially as the pool only had about 8 swimmers in it.	Unfortunately 4 members of staff are required in order to operate the flume - 3 must be on poolside covering the flume entrance steps, catch tank and pool itself. The other staff member covers reception and changing rooms.

For the attention of Overview & Scrutiny Committee

COMMUNITY SERVICES COMMITTEE

Decisions of a Meeting held on 28 January 2010

Overview & Scrutiny Committee Observer: None

1. **Apologies for Absence**

Councillors Mrs Frank and Mrs Keal

2. **Minutes of a meeting of the Community Services & Licensing Committee held on 26 November 2009**

Minutes agreed as a correct record subject to it being noted that in Minute No 35 (Declarations of Interest) Councillor Mrs Cowan had declared a personal and prejudicial interest as her son-in-law is a taxi driver, and not her son, as stated in the minute.

It was noted that at the meeting of Council held on 14 January 2010 the Part B recommendations were approved subject to the wording of Minute No 46 - Fees and Charges - being amended to read "that concessions for one-off events be £1.50 per day".

3. **Urgent Business**

There was one item of urgent business to be considered - this was a Part A item and related to the extension of the climbing wall at Lady Lumley's school.

4. **Declarations of Interest**

Councillor Hemesley declared a code of conduct interest in the item relating to the Climbing Wall at Lady Lumley's, as a representative on the Community Leisure Ltd Board of Management.

Councillor Mrs Cowan declared an interest in item 8 - Waste Collection Commitment - as a member of the Caulklands Liaison Group.

5. **Items Referred from Council**

Petition - Restoration of Weekly Green Bin Refuse Collections

The Committee resolved "To receive the petition and that no action be taken".

PART A - Matters to be dealt with under delegated powers or matters determined by Committee.

6. **Housing Performance Report**

Report endorsed.

7. **Improving Skills in Ryedale**

Recommendation agreed.

8. **Waste Collection Commitment**

Recommendation agreed.

9. **Urgent Business**

Extension of Climbing Wall at Lady Lumley's School

The Head of Environment reported that at the last meeting of the Strategic Facilities Management Committee, representatives from Lady Lumley's School reported that they would like to extend the climbing wall. The extension, which would provide an artificial rock face, would enable the school to apply to become a National Indoor Climbing Achievement Scheme awarding centre. The estimated cost of the extension, which would be available for community use, was £15,000. The Council had been approached regarding a contribution of £7500 towards the cost with Community Leisure providing the remaining £7500. The Head of Environment reported that funding was available within existing budgets.

Resolved

That the use of existing budgets to contribute £7500 towards the cost of extending the climbing wall at Lady Lumley's School, Pickering, for school and community use be approved.

NB In accordance with the Members' Code of Conduct, Councillor Keal declared a personal interest in the above item, as his daughters are pupils at Lady Lumley's School.

Councillor Hemesley declared a personal interest in the item as a representative on the Community Leisure Management Board, Councillor Hemesley abstained from voting on the item.

PART B - Matters referred to Council

9 **Safer Ryedale and the Ryedale Strategic Partnership - Future Working Arrangements**

Recommendation agreed.

The meeting closed at 8.30 pm